Cyprus Exploration Corporation Ltd.,

5IO West Hastings Street,

Vancouver 2, B.C.

Mister J.B.Sawyer,

Re: Your letter of March I7, I972 asking me to let you know when the snow would be melted enough for you to see my claims, (The Lucky Three Group).

I have spent some time at these claims this year and the snow is now gone, so if you are still interested in looking ever this property you are welcome.

Sincerely your's,

Asmeky

H. (Bill) McKay,

922-River Drive,

Terrace,

B.C.

Telephone-635-6424



CYPRUS EXPLORATION CORPORATION, LTD. 510 WEST HASTINGS STREET VANCOUVER 2, BRITISH COLUMBIA TELEPHONE: 683-9304 March 17, 1972 I am pretty sire to seen this one and was not impressed. Will check exact been Mr. H. B. McKay, 922 River Drive, TERRACE. B.C. Dear Mr. McKay: Thank you for your recent letter regarding your Lucky Three Group mineral claims near Lava Lake. We will be pleased to make a field examination of the property with a view to assessing our interest in carrying out further work under an agreement to be negotiated, as early as conditions permit. We will contact you again later to arrange this visit, however, it would be useful if you could drop us a line when you think snow conditions would permit us to see the property. We thank you for bringing this property to our attention. Yours very truly, CYPRUS EXPLORATION CORPORATION, LTD. Manager - Canadian Exploration JBPS/jel

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Cyprus Exploration Corp. Ltd., IIOI - 5IO West Hastings Street, Vancouver 2, B.C.

Dear Sir.

Re: Lucky 3 Group-Mineral Claims

We would like you to examine our mining property this season.

Information concerning the property, which is a raw prospect, is contained in the attached sheets.

We feel the property needs your technical abilities and an exploration program.

It is our intention to enter an option agreement with interests willing to carry out such work.

Would you kindly let me know if you might wish to examine our showings . If so, kindly indicate approximately your timing for such a visit.

Yours truly,

H.B. McKay

9220 River Drive, Terrace, B.C.

MAR 121972

PROPERTYName of Claims - Lucky Three group
Location - Lat. 55° 00' Long. 129° 00'
On Vetter Mountain, West of Lava Lake
40 miles North of Terrace, BC on
a branch of Alder Creek at elevation
1650 feet.

ACCESS - By main logging road from highway 16 at Terrace, BC for 44 miles to Lava Lake, thence by boat across Lava Lake, a distance of approx. 1,500 feet, thence by trail for approx. 1.5 miles to the showings.

OR:by Helicopter from Terrace Airport to a Heliport on the property.

GEOLOGICAL SETTING

The showings are situated on a major contact of the Coast Range Intrusives with Bowser (?) Sediments.

Mineralization is associated with and also lying in younger appearing local intrusives. Mineralization is also evident in highly sheared and crenulated sediments.

MINERALIZATION
Molybdenite and Chalcopyrite occurs as fracture fillings and and disseminations. Sampling of recently created blasted trenches has returned assays, low in both Mo. and Cu. However, due to heavy drift and talus cover, and yery steep terraine, the assays do not represent what we feel is the potential of the property.

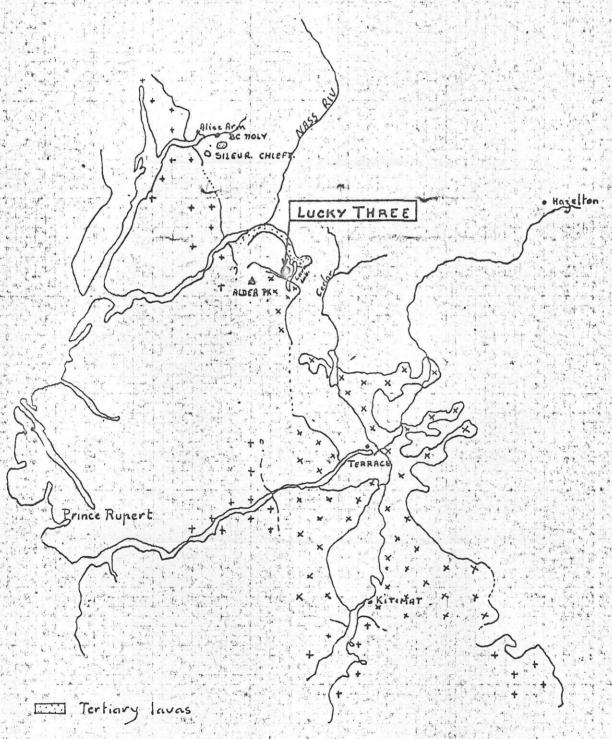
To date, we have done preliminary geochemical (silt) testing which shows surprising amounts of Copper, obviously coming from higher elevations from some as yet undiscovered mineralized structure, as the sample location is such that known Copper mineralization could not have given the high copper. Two assays are as follows;

a) Mo. 0.12% Cu. 0.22% b) MO. 0.072 Cu. 0.13% The Silt mentioned returned; ---- 295 ppm Cu.

The map attached hereto shows some geology and location of the property .

Claim Owner(s)

H.B. McKay



Jurassic and Cretaceous lavas and sectiments

XX Cretaceous or tertiary intrusions:

20 miles

++ Turassic or Cretacaous intrusions Const RANGE

extensive program of trenching and geochemical and IP surveys. They will have to make a decision to drill in the near future. Assays from trenched sections over mineralized breccia average 0.3% copper with a persistent gold content of around 75¢ value. Recommendation - Should Nitetsu not continue their option, this property would merit further investigation.

Kendal Gulch - Terrace Area Property - R. Bates -Examined October 6, 1970

The Kendal Gulch property is situated some 5 miles west of Kleanza Mines. Most of the area is underlain by andesitic volcanics, except in Kendal Gulch where rapid downcutting has revealed a section of pyritic granodiorite intrusive. An alteration halo around the intrusive is strongly mineralized, mainly with pyrite and minor molybdenite, with very small amounts of chalcopyrite, giving rise to a gossan envelope. Molybdenite is generally associated with vein quartz and chalcopyrite is sparse. Recommendation - The difficult location and general lack of significant copper mineralization makes the property a doubtful target, although the molybdenite present suggests that the area may be worthy of further detailed examination as time allows.



Lava Lake Property -Vendor - W. McKay - Molybdenum Examined October 7, 1970

The property is situated 45 miles north of Terrace, just west of Lava Lake, in rugged terrain. The prospect represents a new molybdenum find, and little or no work has been done to date. Molybdenite smears have been located in fractured and deformed argillaceous sediments and meta-volcanics near their contact with a large porphyry dyke. The molybdenite is sparse and not generally associated with quartz veins which are present in the meta-sediments. The intrusive, although carrying disseminated pyrite, is not itself mineralized and is fresh and

unaltered. It is difficult to assess this property in its present stage of development and the vendor was requested to soil sample an area over the contact zone in the vicinity of the observed mineralization.

<u>Recommendation</u> - Acceptance of soil samples for assay if forwarded by vendor.

Silver Claims - Terrace Area Vendor - R. Bates -Minerals - Cu, Ag, Zn, Pb Examined October 5, 1970

This property is situated about 7 miles north of Terrace on a major logging route. Mineralization is restricted to the vicinity of a quartz vein in association with minor porphyritic dykes. Soil sampling uphill and below the known vein does not show any significant mineralized extensions and the minor lead, zinc and copper seen in short drill holes put down on the vein, is not considered sufficiently important to warrant further attention by Cyprus.

SUBMISSIONS

1. T. Scuffi - Gibraltar Area

The vendor informed us that trenching on their claims, 10 miles south-east of Gibraltar, has revealed disseminated copper mineralization in intrusive material about one-half mile distant from earlier abortive trenching inspected in July.

Recommendation - In view of the location of these claims, a second visit will be made during the next two weeks.

2. K. Kania - Prince George Area

A new find of disseminated copper in intrusive material has been reported by the above prospector, adjacent to ground at present being drilled by Bethlehem Copper Corp.

Recommendation - An examination of this occurence has been arranged for the first week in November.