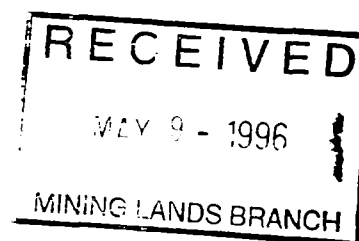




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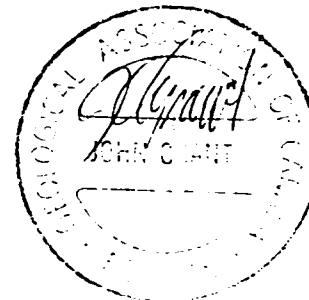
GEOPHYSICAL REPORT
FOR
KRL RESOURCES CORP./CYPRUS CANADA INC.
ON THE
JOINT VENTURE, SHINING TREE PROJECT
MACMURCHY TOWNSHIP
LARDER LAKE MINING DIVISION
NORTHEASTERN ONTARIO



2.16497

*Unit #
2.3943*

PREPARED BY: J.C. GRANT, CET, FGAC
FEBRUARY, 1996





41P11NE0060 2 16497 KNIGHT

010C

TABLE OF CONTENTS

	Page
INTRODUCTION.....	1
PROPERTY LOCATION AND ACCESS.....	1
CLAIM GROUP.....	1
PERSONNEL.....	2
LINECUTTING PROGRAM.....	2
GEOPHYSICAL PROGRAM.....	2,3
SURVEY RESULTS.....	3,4
CONCLUSIONS AND RECOMMENDATIONS.....	4,5
CERTIFICATE	
APPENDICIES: A... OMNI PLUS SYSTEM	
B... OMNI IV SYSTEM	
LIST OF FIGURES	
FIGURE 1.. LOCATION MAP	
FIGURE 2.. PROPERTY LOCATION MAP	
FIGURE 3.. CLAIM MAP	
POCKET MAPS	
CONTOURED MAGNETIC MAP	
CONTOURED FRASER FILTERED MAP	
PROFILED VLF MAP	

INTRODUCTION

The services of Exsics Exploration Limited were retained by Mr. Kevin Filo on the behalf of KRL Resources Corp. to complete a geophysical program on a block of claims located in MacMurphy Township, of the Larder Lake Mining Division of Northeastern Ontario. This property is a joint venture project between KRL and Cyprus Canada Inc. and will be called the Shining Tree Project in this report.

The purpose of this program was to locate and outline a geological horizon which would be a favourable structure for gold deposition. The suspected structure has been drilled to the north of the baseline and returned encouraging results.

This report will deal with the results of the present program as well as recommendations for further follow-up surveys.

PROPERTY LOCATION AND ACCESS

The Shining Tree Project is located in the northeast corner of MacMurphy Township such that the north boundary of the claim group is represented by the Natal Township line and the east boundary of the claims is represented by th Tyrrell-MacMurphy Township line. Jess Lake is situated on the southwest corner of the claim group and Ashburn Lake covers a portion of the northwest section of the claim group. Highway 560 generally crosses the north central portion of the claim group. Figure 1 and 2

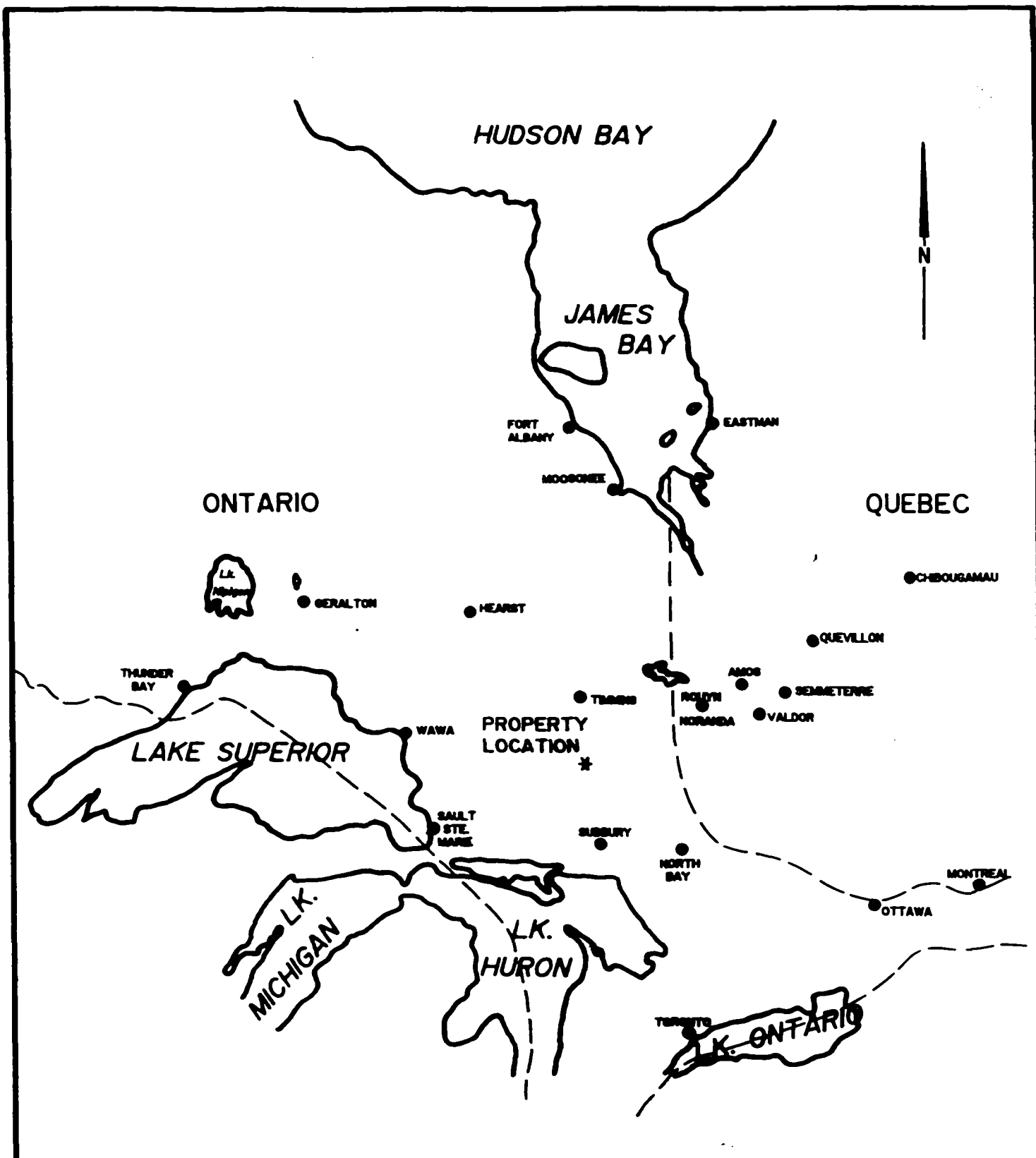
Access to the property was ideal during the survey period. As mentioned earlier, Highway 560 runs across the north central section of the property and is cross cut by a majority of the newly cut grid lines. Highway 560 is a paved road which connects the Village of Shining Tree to the Town of Gowganda. It also is a main route connecting Highway 144 with highway 11 North. Figure 2. Travelling time from Timmins to the project area is approximately 3 hours.


CLAIM GROUP

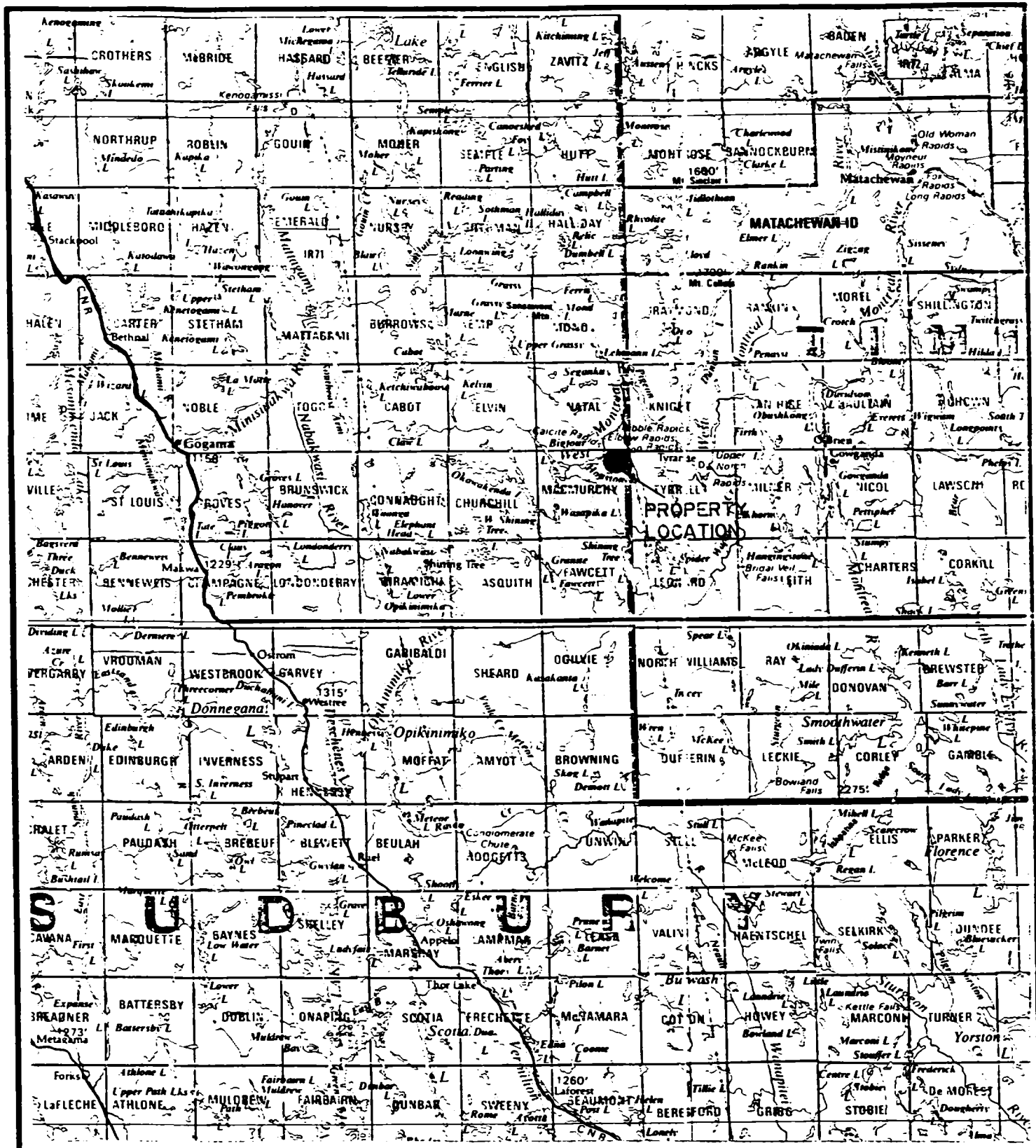
The claim numbers which make up the Shining Tree property are as follows:

L-1200372	L-1193736
L-1193846	L-1182658
L-341433	L-1190916
L-1190912	L-1193735
L-1202537	L-1200824

Refer to figure 3, copied from MNDM plan map G-988, MacMurphy Township.



 EXSICS EXPLORATION LTD. P.O. Box 1000, P40-7X1 Suite 10, Hollinger Bldg, Timmins Ont. Telephone: 705-267-4151		
CLIENT: KRL RESOURCES CORP (CYPRUS J.V.)		
PROPERTY: SHINNING TREE PROJECT		
TITLE: MACMURCHY TWP LOCATION MAP		
Fig. 1		
Date: Feb. 1996	Scale: 1"=42.5 miles	MNDM Plan#:
Drawn: P. Gauthier	Interp: J.C. Grant	Job No.: E-155



EXSIS EXPLORATION LTD.

P.O. Box 1888, P48-7X1
 Suite 22, Mallinger Bldg, Timmins Ont.
 Telephone: 705-267-4511

CLIENT: KRL RESOURCES CORP (CYPRUS J.V.)

PROPERTY: SHINNING TREE PROJECT

TITLE: MACMURCHY TWP

PROPERTY LOCATION

Fig. 2

Date: Feb. 1996

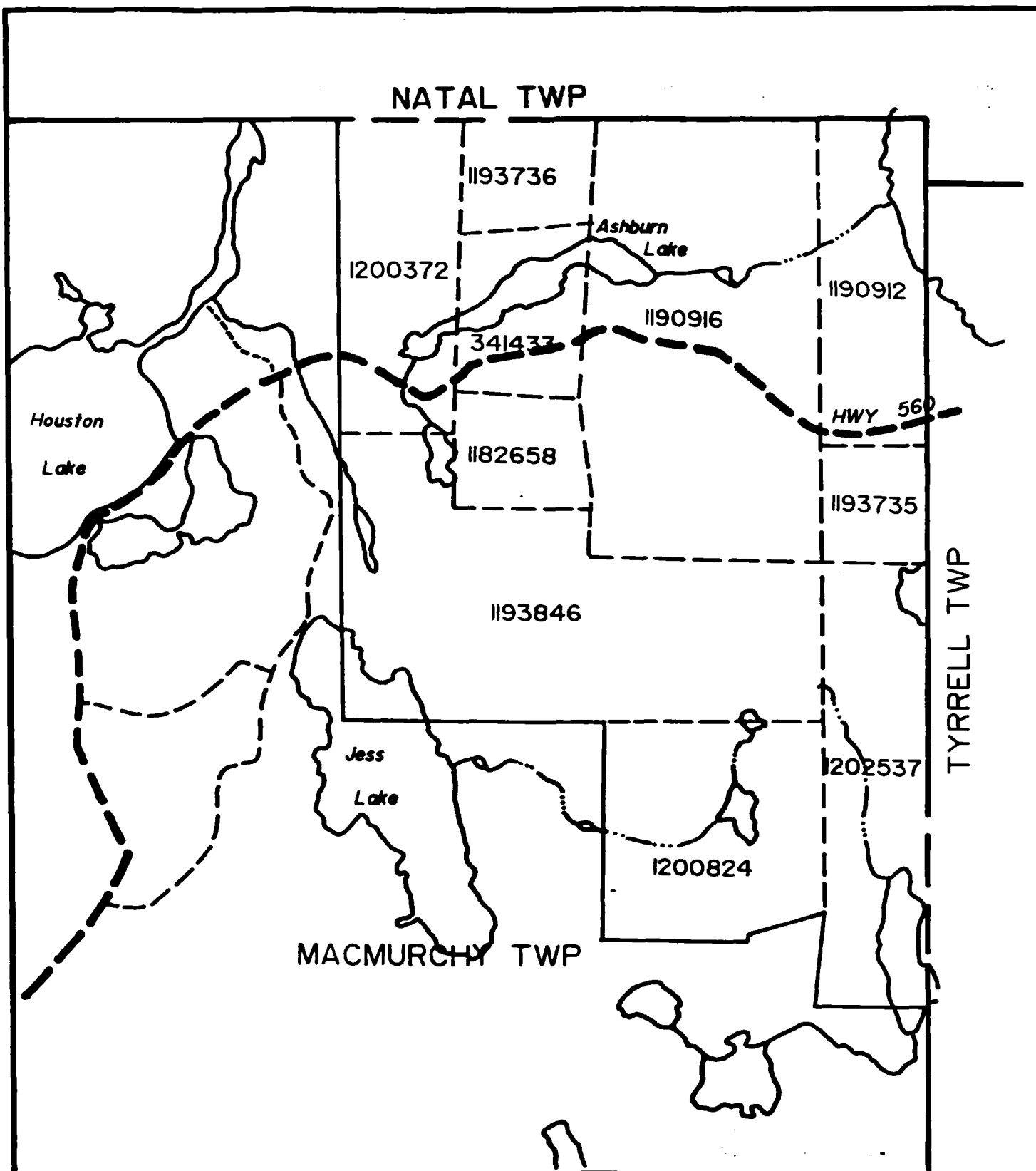
Scale: 1:600,000


MNDM Plan#: 22-6

Drawn:

Interp: J.C. Grant

Job No. E-155



			EXSICS EXPLORATION LTD. P.O. Box 1888, P4B-2K1 Suite 12, Milligan Bldg, Timmins Ont. Telephone: 705-267-4551		
			CLIENT: KRL RESOURCES CORP (CYPRUS J.V.)		
PROPERTY: SHINNING TREE PROJECT			TITLE: MACMURCHY TWP		
CLAIM SKETCH			Fig. 3		
Date: Feb. 1996		Scale: 1:20,000		MNDM Plan#: G-988	
Drawn: P. Gauthier		Interp: J.C. Grant		Job No. E-155	

PERSONNEL

The field crew directly responsible for the collection of all raw data were as follows.

J. DerWeduwen	South Porcupine, Ontario
B. Pigeon	South Porcupine, Ontario

The survey was completed under the direct supervision of J.C.Grant. All of the plotting and compilation was completed by P.Gauthier of Exsics Exploration Limited.

LINECUTTING PROGRAM

The linecutting was completed by D. Jones of Timmins and consisted of 100 meter lines chained with 25 meter stations. In all, a total of 45 kilometers of grid lines were established on the property. The cutting was completed between January 7 and February 7, 1996

GEOPHYSICAL PROGRAM

This program consisted of a detailed total field magnetic survey done in conjunction with a VLF electromagnetic survey. Both of these surveys were completed over the entire cut grid.

The surveys were completed using the BRGM OMNI PLUS system. Specifications for the unit can be found as Appendix A of this report. The survey was corrected using a base station recorder. This unit was the BRGM, OMNI IV system. Specifications for this unit can be found as Appendix B of this report. The surveys were completed between February 13 and 18, 1996. In all, a total of 45 kilometers of grid lines were surveyed.

The following parameters were kept constant throughout the surveys.

MAGNETIC SURVEY

Line spacing.....	100 meters
Station spacing.....	25 meters
reading interval.....	12.5 meters
Diurnal correction.....	base station recorder
Base record interval.....	30 seconds
Reference field.....	57600 gammas
Datum subtract.....	57500 gammas
Unit accuracy.....	+/- 0.5 gammas
Parameters measured.....	Earth's total magnetic field

The collected, corrected and levelled data was then plotted onto a base map at a scale of 1:5000 and then contoured at 20 gamma intervals where possible. A copy of this contoured base map is included in the back pocket of this report.

VLF-EM SURVEY

Line spacing..... 100 meters
Station spacing..... 25 meters
Reading interval..... 12.5 meters
Transmitting station..... Cutler, Maine
Transmitting frequency..... 24.0 khz
Transmitting direction..... Az 115 degrees
Parameters measured..... Inphase dip angle
Unit accuracy..... +/- 0.5 degrees
Filter method..... Fraser filtering

The collected data was then plotted directly onto a base map at a scale of 1:5000 and then profiled at 1cm to 40 percent. The collected data also had a low pass filtering applied to it. This method is called Fraser filtering and it results in placing a large positive value over shallow buried anomalies and a weaker positive value over deeper buried anomalies. It is also an effective means of outlining weak deflection zones which are not that apparent when reviewing the profile data.

A copy of the profiled data and the fraser filtered data is included in the back pocket of this report.

SURVEY RESULTS

The magnetic survey as well as the VLF survey were successful in outlining the suspected geological features of the grid. The VLF survey outlined a number of conductive horizons of which the predominant structures appear to strike at 150 degrees across the cut grid. A number of these zones will be discussed separately.

The magnetic survey supports the general strike of the geology on the grid. The magnetic trends also appear to generally strike at an azimuth of 150 degrees. The most predominant package outlined by the magnetics is a well defined unit striking across the grid at 150 degrees which probably represents a contact feature. The unit is relatively broad and distorted in the northwest section of the grid but it narrows to about 200 to 300 meters as it strikes southeast and off of the grid.

The southern contact of the unit appears to have been disrupted by the presence of a dike like feature which is represented by a number of isolated bullseyes on lines 2200ME, 2000ME and 1900ME to 1400ME.

There also appears to be a second parallel dike like feature striking across lines 1200ME upto and including 300ME, again represented by a number of isolated bullseyes.

A third dike like feature is evident striking across lines 900ME upto and including 300ME where it appears to have been cut off by the Jess Lake Fault. This fault is represented by a series of weak mag low bullseye noted on lines 500ME to 100ME.

The VLF zone labelled A generally relates to the southern contact of the magnetic unit discussed above and thought to host the key mineralized horizon. This zone is well defined on the grid.

Zone B is suspected to represent the northwest boundary of the same magnetic unit and Zone C may represent the southeast boundary of the unit.

Zone D may relate to the diabase dike like feature striking into the main magnetic unit.

Zone F probably relates to the Jess Lake fault as it follows the magnetic lows. Zone E may relate to another of the dike like structures which has been cut off by the fault.

Zones G,H and J may relate to topography as they seem to follow the lake shores, stream beds or highway loactions on the grid.

One must keep in mind that when interpreting VLF data that a number of things will influence the survey. Those could be creeks, lake shores, fences, power lines, culverts, geological noise as well as electrically charged units. Thus all other survey results should be examined before a VLF target is drilled or eliminated.

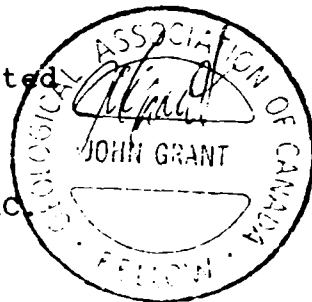
CONCLUSIONS AND RECOMMENDATIONS

The surveys were successful in locating and outling the expected geological unit which is thought to host the mineralized horizon. This unit is well defined by the magnetics as well as Zones A, B and C of the VLF survey. The property is quite active geological as there are a number of cross structures present on the grid which follow and cut into the main units.

A follow-up program should be initiated to better define the VLF targets and to prioritize them. This follow-up program should consist of a detailed IP survey especially across the predominant magnetic unit as well as Zones A, B and C which should represent the outer contacts of the unit. The survey should be followed up by a detailed drilling program.

Respectfully submitted,

J.C. Grant, CET, FGAC
February, 1996.

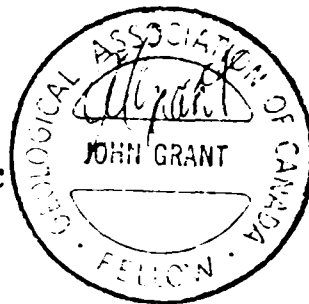


CERTIFICATE

I, John C. Grant, hereby certify that:

- 1) I am a graduate geophysicist (1975) of the three year program in Geological Technology at Cambrian College of Applied Arts and Technology, Sudbury, Campus. I have worked subsequently as an Exploration Geophysicist for Teck Exploration Limited (5 years), North Bay office, and as Exploration Manager and Geophysicist for Exsics Exploration Limited from 1980 to present.
- 2) I am a Member of the Certified Engineering Technologist Association since 1984.
- 3) I am a member of the Geological Association of Canada.
- 4) I have been actively engaged in my profession for the last twenty (20) years, including all aspects of exploration studies, surveys and interpretations.
- 5) I have no specific or special interest in the described property. I have been retained as a Consulting Geophysicist by the claim holders.

John Charles Grant, CET, FGAC



APPENDIX A

OMNI PLUS VLF/Magnetometer System



Major Benefits of the OMNI PLUS

- Combined VLF/Magnetometer/Gradiometer System
 - No Orientation Required
 - Three VLF Magnetic Parameters Recorded
 - Automatic Calculation of Fraser Filter
 - Calculation of Ellipticity
 - Automatic Correction of Primary Field Variations
 - Measurement of VLF Electric Field
-

Specifications *

Frequency Tuning Range	15 to 30 kHz, with bandwidth of 150 Hz; tuning range accommodates new Puerto Rico station at 28.5 kHz
Transmitting Stations Measured	Up to 3 stations can be automatically measured at any given grid location within frequency tuning range
Recorded VLF Magnetic Parameters	Total field strength, total dip, vertical quadrature (or alternately, horizontal amplitude)
Standard Memory Capacity	800 combined VLF magnetic and VLF electric measurements as well as gradiometer and magnetometer readings
Display	Custom designed, ruggedized liquid crystal display with built-in heater and an operating temperature range from -40°C to $+55^{\circ}\text{C}$. The display contains six numeric digits, decimal point, battery status monitor, signal strength status monitor and function descriptors.
S232C Serial I/O Interface	2400 baud rate, 8 data bits, 2 stop bits, no parity
Test Mode	A. Diagnostic Testing (data and programmable memory) B. Self Test (hardware)
Sensor Head	Contains 3 orthogonally mounted coils with automatic tilt compensation
Operating Environmental Range	-40°C to $+55^{\circ}\text{C}$; 0 - 100% relative humidity; Weatherproof
Power Supply	Non-magnetic rechargeable sealed lead-acid 18V DC battery cartridge or belt; 18V DC disposable battery belt; 12V DC external power source for base station operation only.
Weights and Dimensions	
Instrument Console	2.8 kg, 128 x 150 x 250 mm
Sensor Head	2.1 kg, 130 dia. x 130 mm
VLF Electronics Module	1.1 kg, 40 x 150 x 250 mm
Lead Acid Battery Cartridge	1.8 kg, 235 x 105 x 90 mm
Lead Acid Battery Belt	1.8 kg, 540 x 100 x 40 mm
Disposable Battery Belt	1.2 kg, 540 x 100 x 40 mm

Preliminary

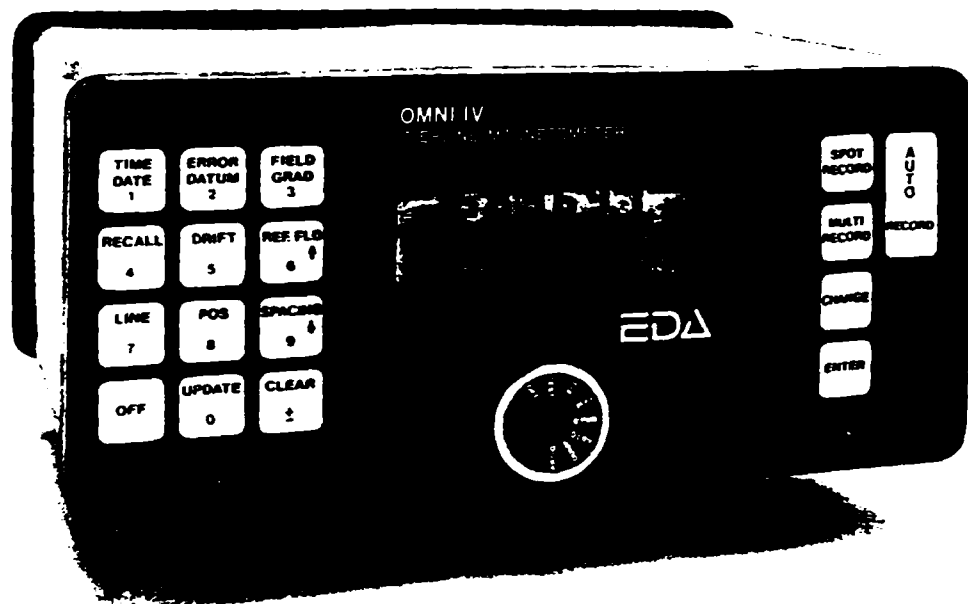
EDA Instruments Inc.,
4 Thorncliffe Park Drive,
Toronto, Ontario
Canada M4H 1H1
Telex: 06 23222 EDA TOR,
Cables: Instruments Toronto
(416) 425-7800

In USA,
EDA Instruments Inc.,
5151 Ward Road,
Wheat Ridge, Colorado
U.S.A. 80033
(303) 422-9112

Printed in Canada

APPENDIX B

OMNI IV "Te-Line" Magnetometer



- Four Magnetometers in One
- Self Correcting for Diurnal Variations
- Reduced Instrumentation Requirements
- 25% Weight Reduction
- User Friendly Keypad Operation
- Universal Computer Interface
- Comprehensive Software Packages

specifications

Dynamic Range	18,000 to 110,000 gammas. Roll-over display feature suppresses first significant digit upon exceeding 100,000 gammas.
Tuning Method	Tuning value is calculated accurately utilizing a specially developed tuning algorithm
Automatic Fine Tuning	± 15% relative to ambient field strength of last stored value
Display Resolution	0.1 gamma
Processing Sensitivity	± 0.02 gamma
Statistical Error Resolution	0.01 gamma
Absolute Accuracy	± 1 gamma at 50,000 gammas at 23°C ± 2 gamma over total temperature range
Standard Memory Capacity	
Total Field or Gradient	1,200 data blocks or sets of readings
Tie-Line Points	100 data blocks or sets of readings
Base Station	5,000 data blocks or sets of readings
Display	Custom-designed, ruggedized liquid crystal display with an operating temperature range from -40°C to +55°C. The display contains six numeric digits, decimal point, battery status monitor, signal decay rate and signal amplitude monitor and function descriptors.
232 Serial I/O Interface	2400 baud, 8 data bits, 2 stop bits, no parity
Gradient Tolerance	6,000 gammas per meter (field proven)
Test Mode	A. Diagnostic testing (data and programmable memory) B. Self Test (hardware)
Sensor	Optimized miniature design. Magnetic cleanliness is consistent with the specified absolute accuracy.
Gradient Sensors	0.5 meter sensor separation (standard), normalized to gammas/meter. Optional 1.0 meter sensor separation available. Horizontal sensors optional.
Sensor Cable	Remains flexible in temperature range specified, includes strain-relief connector
Timing Time (Base Station Mode)	Programmable from 5 seconds up to 60 minutes in 1 second increments
Operating Environmental Range	-40°C to +55°C; 0-100% relative humidity; weatherproof
Power Supply	Non-magnetic rechargeable sealed lead-acid battery cartridge or belt; rechargeable NiCad or Disposable battery cartridge or belt; or 12V DC power source option for base station operation.
Battery Cartridge/Belt Life	2,000 to 5,000 readings, for sealed lead acid power supply, depending upon ambient temperature and rate of readings
Weights and Dimensions	
Instrument Console Only	2.8 kg, 238 x 150 x 250mm
NiCad or Alkaline Battery Cartridge	1.2 kg, 235 x 105 x 90mm
NiCad or Alkaline Battery Belt	1.2 kg, 540 x 100 x 40mm
Lead-Acid Battery Cartridge	1.8 kg, 235 x 105 x 90mm
Lead-Acid Battery Belt	1.8 kg, 540 x 100 x 40mm
Sensor	1.2 kg, 56mm diameter x 200mm
Gradient Sensor	
(0.5 m separation - standard)	2.1 kg, 56mm diameter x 790mm
Gradient Sensor	
(1.0 m separation - optional)	2.2 kg, 56mm diameter x 1300mm
Standard System Complement	Instrument console; sensor; 3-meter cable, aluminum sectional sensor staff, power supply, harness assembly, operations manual.
Base Station Option	Standard system plus 30 meter cable
Gradiometer Option	Standard system plus 0.5 meter sensor

EDA Instruments Inc.
4 Thorncliffe Park Drive
Toronto, Ontario
Canada M4H 1H1
Telex: 06 23222 EDA TOR
Cable: Instruments Toronto
(416) 425 7800

In U.S.A.
EDA Instruments Inc.
5151 Ward Road
Wheat Ridge, Colorado
U.S.A. 80033
(303) 422 9112

Printed in Canada



Personal information collected on this form is obtained under the authority of the Mining Act. This information will be used for correspondence. Questions about its collection should be directed to the Provincial Manager, Mining Lands, Ministry of Northern Development and Mines, Fourth Floor, 160 Cedar Street, Sudbury, Ontario, P3E 6A5, telephone (705) 670-7264.

2-16497

- Instructions: - Please type or print and submit in duplicate.
- Refer to the Mining Act and Regulations for require Recorder.
- A separate copy of this form must be completed to
- Technical reports and maps must accompany this
- A sketch, showing the claims the work is assigned



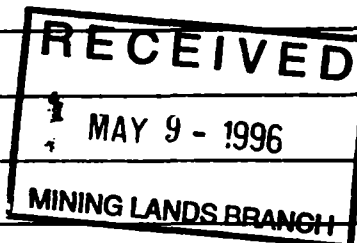
41P11NE0060 2 16497 KNIGHT

900

Recorded Holder(s) <i>KRC Resources Corp OPTION</i>	Record Holders: <i>CYPRUS LAUNDRY, MILLON, KOSY</i>	Client No. <i>123286, 113713</i>
Address <i>1522-470 Granville St. Vancouver B.C. V6C 1W5</i>		<i>153728, 160829</i>
Mining Division <i>Kirkland</i>	Township/Area <i>MACMURCHY</i>	Telephone No. <i>604-689-0299</i>
Date Work Performed From: <i>JAN 8/96</i>	To: <i>FEB. 28/96</i>	M or B Plan No.

Work Performed (Check One Work Group Only)

Work Group	Type
<input checked="" type="checkbox"/> Geotechnical Survey	<i>MAG, ULF-EM</i>
<input type="checkbox"/> Physical Work, including Drilling	
<input type="checkbox"/> Rehabilitation	
<input type="checkbox"/> Other Authorized Work	
<input type="checkbox"/> Assays	
<input type="checkbox"/> Assignment from Reserve	



Total Assessment Work Claimed on the Attached Statement of Costs \$ 23023

Note: The Minister may reject for assessment work credit all or part of the assessment work submitted if the recorded holder cannot verify expenditures claimed in the statement of costs within 30 days of a request for verification.

Persons and Survey Company Who Performed the Work (Give Name and Address of Author of Report)

Name	Address
<i>J. Grant Everest Expl.</i>	<i>P.O. Box 1880, Timmins Ont P4N 2X1</i>

attach a schedule if necessary)

Certification of Beneficial Interest * See Note No. 1 on reverse side

I certify that at the time the work was performed, the claims covered in this work report were recorded in the current holder's name or held under a beneficial interest by the current recorded holder.	Date <i>FEB. 28/96</i>	Recorded Holder or Agent (Signature) <i>[Signature]</i>
--	---------------------------	--

Certification of Work Report

I certify that I have a personal knowledge of the facts set forth in this Work report, having performed the work or witnessed same during and/or after its completion and annexed report is true.

Name and Address of Person Certifying <i>J. K. Fico 535 BARDENMAN ST. Timmins Ont</i>	
Telephone No. <i>705 268 9045</i>	Date <i>FEB. 28/96</i>
Certified By (Signature) <i>[Signature]</i>	

or Office Use Only

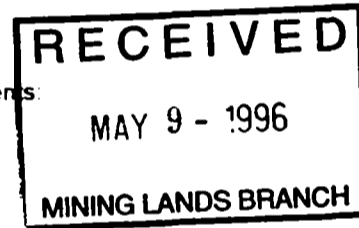
Total Value Cr. Recorded <i>Appl 2252</i>	Date Recorded <i>96 27 21</i>	Mining Recorder <i>[Signature]</i>	Received Stamp
<i>Rese 473</i>	Deemed Approval Date <i>7/24/96</i>	Date Approved	
	Date Notice for Amendments Sent		

Claim #	Units	S Assessment Done On This Claim	S Value Applied To This Claim	S Value Assigned From This Claim	S Reserve Work To Be Claimed Later
1145916	1	0	400	0	0
1146421	1	0	400	0	0
1146422	1	0	400	0	0
1146223	1	0	400	0	0
1152419	1	0	400	0	0
1179361	4	0	1600	0	0
1182658	1	1151	400	751	0
1190912	3	590	1200	0	0
1190913	2	0	800	0	0
1190914	1	0	400	0	0
1190916	8	4965	3200	1765	0
1193735	1	805	400	405	0
1193736	1	391	400	0	0
1193846	8	7009	3200	3809	0
1200372	3	2563	1200	1363	0
1202484	15	0	6000	0	0
1202537	4	2993	1600	1393	0
1200824	4	1359	150	1209	0
**106710	1	1197	0	724	473
19		23023	22550	11419	473
Total Claims		Total S Work Done	Total S Work Applied	Total S Assigned	Total S Reserve

**Note lease number 341433 shown on claim maps but number above (106710) used by MNDN for previous work reports

List of Claim Holders and Appropriate Client #'s. All Held via KRL Option Agreements:

Name	Client#
Cyprus Canada Inc.	123286
Dave Mullen	173713
G Kosy	153728
D Londry	160829



Enclosed are agreements showing KRL's option agreements allowing them to transfer work to contiguous holdings. Further, a holdings map is currently on file for assessment being processed at present.



Ministry of
Northern Development
and Mines

Ministère du
Développement du Nord
et des mines

**Statement of Costs
for Assessment Credit**

**État des coûts aux fins
du crédit d'évaluation**

Mining Act/Loi sur les mines

Transaction No./N^o de transaction
DOCUMENT No.
9680-0025

2-10497

Personal information collected on this form is obtained under the authority of the Mining Act. This information will be used to maintain a record and ongoing status of the mining claim(s). Questions about this collection should be directed to the Provincial Manager, Minings Lands, Ministry of Northern Development and Mines, 4th Floor, 159 Cedar Street, Sudbury, Ontario P3E 6A5, telephone (705) 670-7264.

Les renseignements personnels contenus dans la présente formule sont recueillis en vertu de la Loi sur les mines et serviront à tenir à jour un registre des concessions minières. Adresser toute question sur la collecte de ces renseignements au chef provincial des terrains miniers, ministère du Développement du Nord et des Mines, 159, rue Cedar, 4^e étage, Sudbury (Ontario) P3E 6A5, téléphone (705) 670-7264.

1. Direct Costs/Coûts directs

Type	Description	Amount Montant	Totals Total global
Wages Salaires	Labour Main-d'oeuvre		
	Field Supervision Supervision sur le terrain		
Contractor's and Consultant's Fees Droits de l'entrepreneur et de l'expert- conseil	Type Geophysical	10647	
		12376	23023
Supplies Used Fournitures utilisées	Type		
Equipment Rental Location de matériel	Type		
Total Direct Costs Total des coûts directs			23023

2. Indirect Costs/Coûts indirects

** Note: When claiming Rehabilitation work Indirect costs are not allowable as assessment work.
Pour le remboursement des travaux de réhabilitation, les coûts indirects ne sont pas admissibles en tant que travaux d'évaluation.

Type	Description	Amount Montant	Totals Total global
Transportation Transport	Type		
Food and Lodging Nourriture et hébergement			
Mobilization and Demobilization Mobilisation et démobilisation			
Sub Total of Indirect Costs Total partiel des coûts indirects			
Amount Allowable (not greater than 20% of Direct Costs) Montant admissible (n'excédant pas 20 % des coûts directs)			
Total Value of Assessment Credit (Total of Direct and Allowable Indirect costs)			23023

RECEIVED
MAY 9 - 1996
MINING LANDS BRANCH

Note: The recorded holder will be required to verify expenditures claimed in this statement of costs within 30 days of a request for verification. If verification is not made, the Minister may reject for assessment work all or part of the assessment work submitted.

Note: Le titulaire enregistré sera tenu de vérifier les dépenses demandées dans le présent état des coûts dans les 30 jours suivant une demande à cet effet. Si la vérification n'est pas effectuée, le ministre peut rejeter tout ou une partie des travaux d'évaluation présentés.

Filing Discounts

1. Work filed within two years of completion is claimed at 100% of the above Total Value of Assessment Credit.
2. Work filed three, four or five years after completion is claimed at 50% of the above Total Value of Assessment Credit. See calculations below:

Total Value of Assessment Credit	Total Assessment Claimed
	× 0.50 =

Remises pour dépôt

1. Les travaux déposés dans les deux ans suivant leur achèvement sont remboursés à 100 % de la valeur totale susmentionnée du crédit d'évaluation.
2. Les travaux déposés trois, quatre ou cinq ans après leur achèvement sont remboursés à 50 % de la valeur totale du crédit d'évaluation susmentionné. Voir les calculs ci-dessous.

Valeur totale du crédit d'évaluation	Évaluation totale demandée
	× 0,50 =

Certification Verifying Statement of Costs

I hereby certify:
that the amounts shown are as accurate as possible and these costs were incurred while conducting assessment work on the lands shown on the accompanying Report of Work form.

that as G. Koo (T.H. F.R.C.) I am authorized
(Recorded Holder, Agent, Position in Company)

to make this certification

#7

Attestation de l'état des coûts

J'atteste par la présente :
que les montants indiqués sont le plus exact possible et que ces dépenses ont été engagées pour effectuer les travaux d'évaluation sur les terrains indiqués dans la formule de rapport de travail ci-joint.

Et qu'à titre de _____ je suis autorisé
(titulaire enregistré, représentant, poste occupé dans la compagnie)

à faire cette attestation.

Signature G. Koo Date _____

Ministry of
Northern Development
and Mines

Ministère du
Développement du Nord
et des Mines

Geoscience Assessment Office
933 Ramsey Lake Road
6th Floor
Sudbury, Ontario
P3E 6B5

Telephone: (705) 670-5853
Fax: (705) 670-5863

May 24, 1996

Our File: 2.16497
Transaction #: W9680.00125

Mining Recorder
Ministry of Northern Development & Mines
4 Government Road East
Kirkland Lake, Ontario
P2N 1A2

Dear Mr. Spooner:

**SUBJECT: APPROVAL OF ASSESSMENT WORK CREDIT ON MINING LAND, CLAIMS
L.1182658 ET AL IN MACMURCHY TOWNSHIP**

Assessment work credit has been approved as outlined on the Declaration of Assessment Work Form accompanying this submission. The credit has been approved under Section 14, Geophysics (Mag & VLF), of the Assessment Work Regulation.

The approval date is May 24, 1996.

If you have any questions regarding this correspondence, please contact Lucille Jerome at (705) 670-5858.

Yours sincerely,
ORIGINAL SIGNED BY:



Ron C. Gashinski
Senior Manager, Mining Lands Section
Mines and Minerals Division

LBJ/jl
Enclosure:

cc: Resident Geologist
Cobalt, Ontario

✓ Assessment Files Library
Sudbury, Ontario

REFERENCES

AREA WITHDRAWN FROM DISPOSITION

M.R.O. - MINING RIGHTS ONLY
S.R.O. - SURFACE RIGHTS ONLY
M+S. - MINING AND SURFACE RIGHTS

Description	Order No.	Date	Disposition	File
SEC 43/70	W 66/77	NOV/76	S.R.O.	188517
SEC 36/80	W 12-SONER	APR 3/90	M+S	

PART OF ORDER W.L.2-90 NER REOPENED BY ORDER O-ONT-06/92 NER/CR EFFECTIVE MARCH 16/92 AT 4:15 PM E.S.T.
PART OF ORDER W.L.2-90 NER REOPENED BY ORDER O-ONT-07/92 NER/CR DATED MARCH 23/92 AT 9:45 AM E.S.T. THIS ORDER COMES INTO EFFECT AT 7:00 AM E.S.T. ON APRIL 1/92.

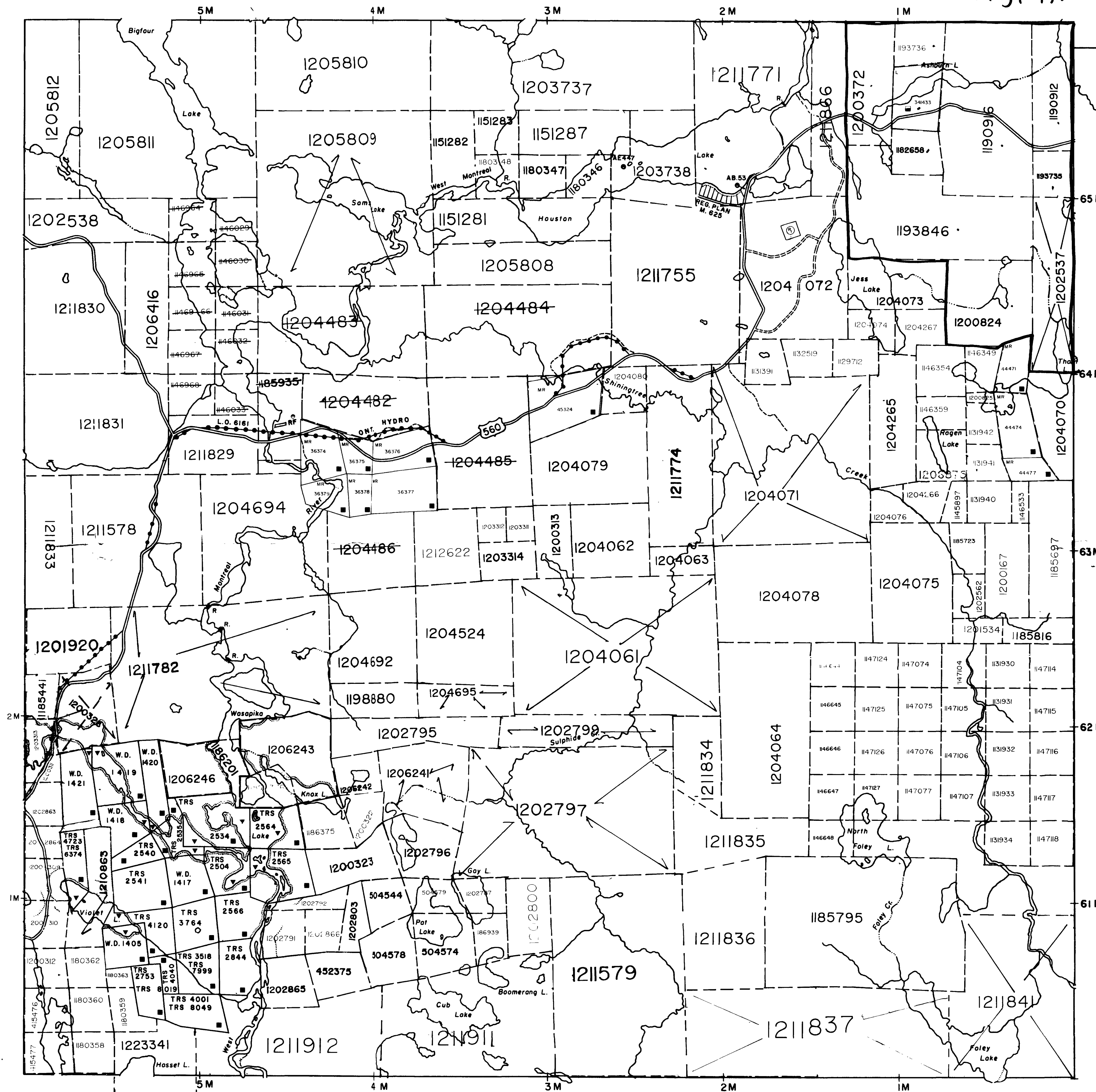
NOTES

NOTICE OF FORESTRY ACTIVITY
THIS TOWNSHIP/AREA FALLS WITHIN THE SHININGTREE MANAGEMENT UNIT AND MAY BE SUBJECT TO FORESTRY OPERATIONS THE MNR UNIT FORESER FOR THIS AREA CAN BE CONTACTED AT:

P.O. BOX 129
LOW AVENUE
SOGAMA, ONTARIO
POM-1K0
705-894-2000

NATAL TOWNSHIP

2.16497
mag. v/f.

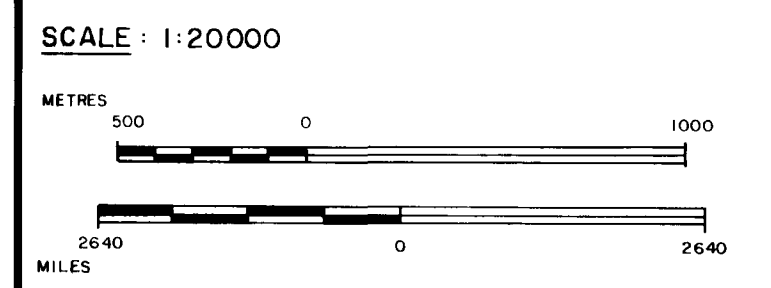


LEGEND

HIGHWAY AND ROUTE No.	
OTHER ROADS	
TRAILS	
SURVEYED LINES:	
TOWNSHIPS, BASE LINES, ETC.	
LOTS, MINING CLAIMS, PARCELS, ETC.	
UNSURVEYED LINES:	
LOT LINES	
PARCEL BOUNDARY	
MINING CLAIMS ETC.	
RAILWAY AND RIGHT OF WAY	
UTILITY LINES	
NON-PERENNIAL STREAM	
FLOODING OR FLOODING RIGHTS	
SUBDIVISION OR COMPOSITE PLAN	
RESERVATIONS	
ORIGINAL SHORELINE	
MARSH OR MUSKEG	
MINES	
TRAVERSE MONUMENT	

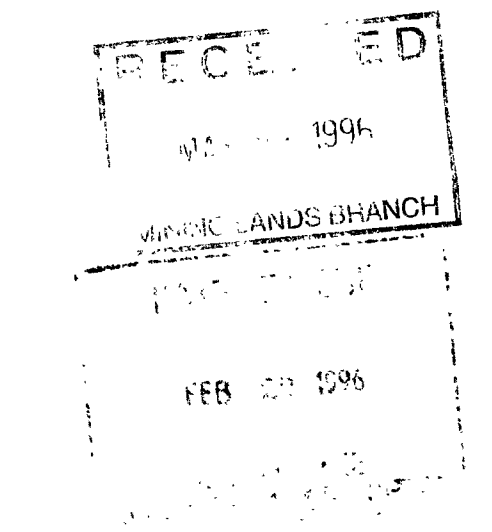
DISPOSITION OF CROWN LANDS

TYPE OF DOCUMENT	SYMBOL
PATENT, SURFACE & MINING RIGHTS	
SURFACE RIGHTS ONLY	
MINING RIGHTS ONLY	
LEASE, SURFACE & MINING RIGHTS	
SURFACE RIGHTS ONLY	
MINING RIGHTS ONLY	
LICENCE OF OCCUPATION	
ORDER-IN-COUNCIL	
RESERVATION	
CANCELLED	
SAND & GRAVEL	



TOWNSHIP OPENED TO STAKING OR L.P. M.L.O.-90
EFFECTIVE 1/1/91 (PHIL. 3/1/90 AT 7:00 AM E.S.T.)

GEOLOGY REFERENCE LOCALITY REF. JOHN G. GILLES



2.16497

TOWNSHIP
MACMURCHY
M.N.R. ADMINISTRATIVE DISTRICT
TIMMINS
MINING DIVISION
LARDER LAKE
LAND TITLES / REGISTRY DIVISION
SUDBURY

Ministry of Natural Resources Ontario
Ministry of Northern Development and Mines

Date: APRIL 1990
Number: G-988
CIRCULAR FD APR. 26/95 CM

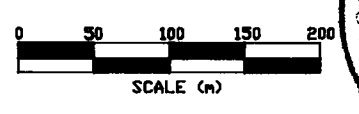


988
MACMURCHY TWP
G-988

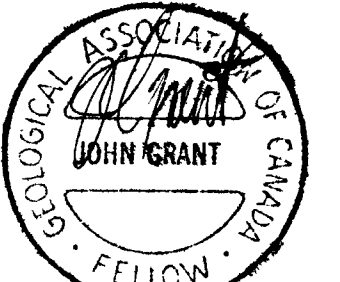


210

LEGEND
 Instrument: BRGM DMNI-1V
 Parameters Measured: Earth's total magnetic field
 Accuracy: +/- 0.1 nano-teslas
 Diurnals: Corrected by base station recorder
 Contour Interval: 0,20,40,60,80,.....
 Reference Field: 57,960 gammas
 Datum Subtracted: 57,500 gammas



RECEIVED
 MAY 9 - 1996
 WILFRED AMBERG BOGACH



EXSICS EXPLORATION LTD.
 P.O. Box 1880, P4N-7X1
 Suite 13, Hollinger Bldg, Timmins Ont.
 Telephone: 705-287-4151

CLIENT: KRL RESOURCES CORP(CYPRUS J.V.)
 PROPERTY: SHINNING TREE PROJECT
 TITLE: MACMURCHY TWP
MAGNETOMETER SURVEY

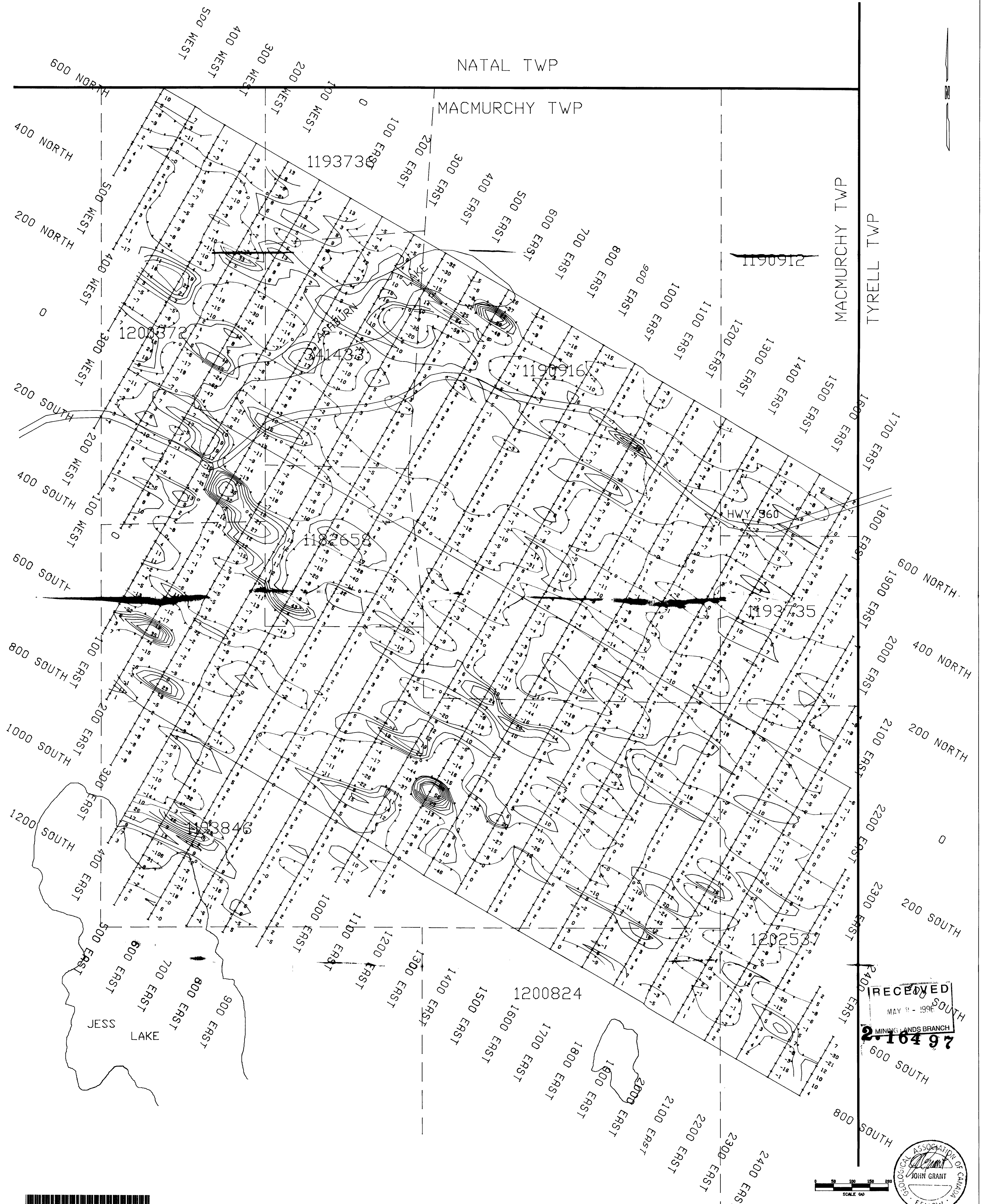
Date: Feb. 1996 Scale: 1:5000 NTS:
 Drawn: P.Gauthier Interp: J.C.Grant Job No.: E-155

NATAL TWP

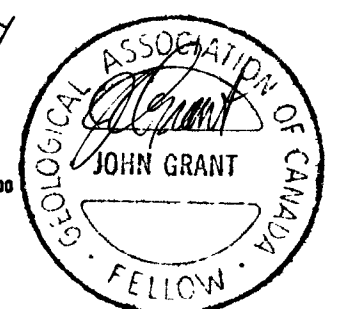
MACMURCHY TWP

MACMURCHY TWP

TYRELL TWP



RECEIVED
MAY 11 - 1996
MINING LANDS BRANCH
2-16497



SCALE 60



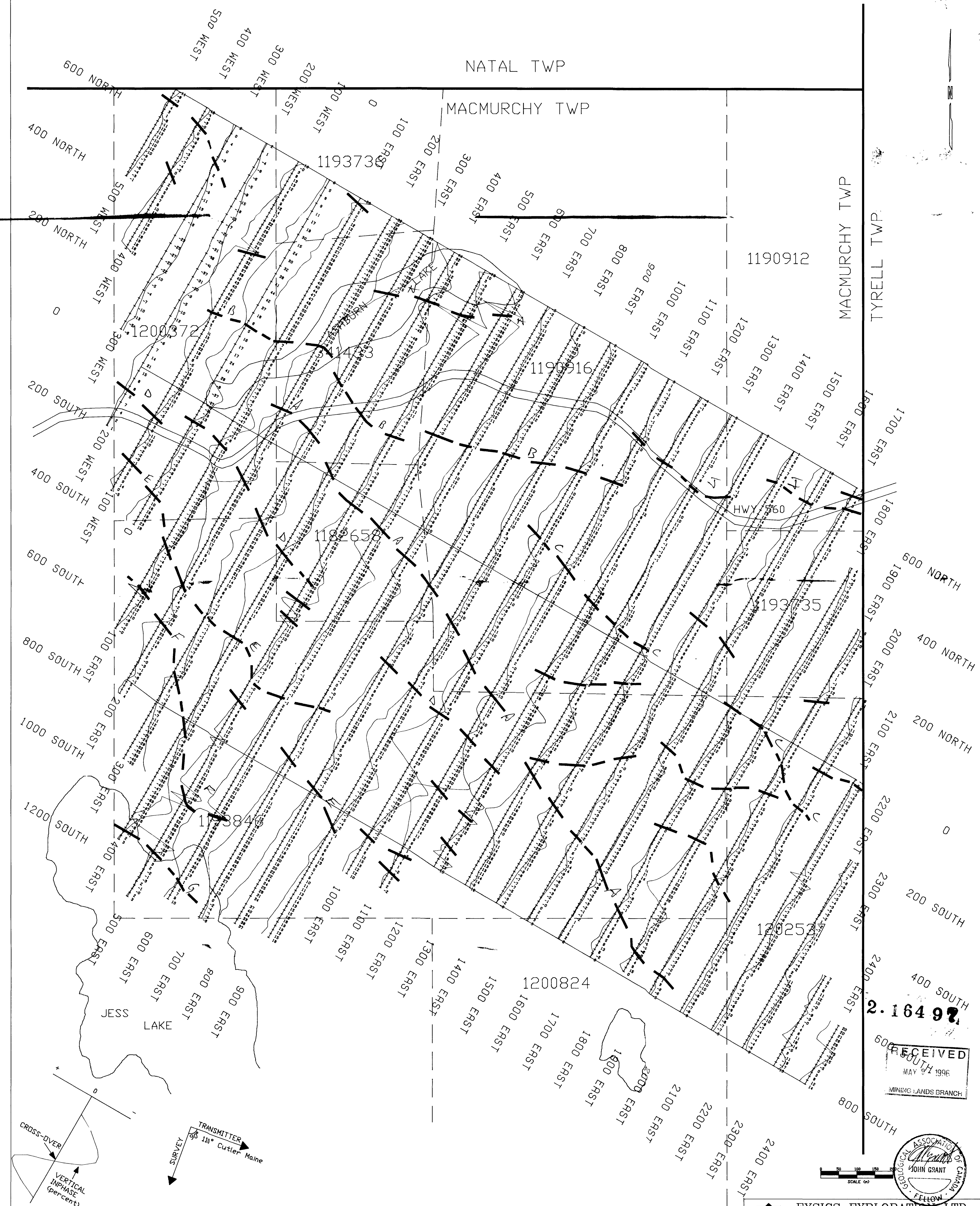
220

LEGEND
Instrument: BRGM OMNI-PLUS
Transmitter Station: NAA CUTLER MAINE
Frequency: 24.0 KHz
Values Filtered: INPHASE DIP ANGLE
Contour Interval: 0.5,10,15,20,25,.....
Operator: R. & R. Mathieu

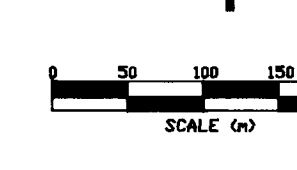
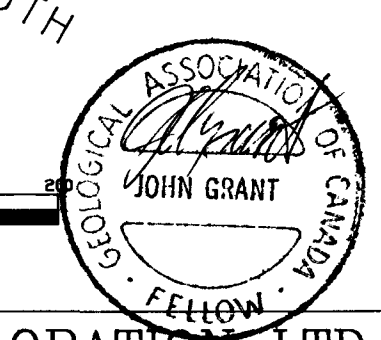
EXSICS EXPLORATION LTD.
P.O. Box 1880, P4N-7X1
Suite 13, Hollinger Bldg. Timmins Ont.
Telephone: 705-267-4151

CLIENT: KRL RESOURCES CORP(CYPRUS J.V.)
PROPERTY: SHINNING TREE PROJECT
TITLE: MACMURCHY TWP
FRASER FILTERED VLF

Date: Feb. 1996 Scale: 1:5000 NTS:
Drawn: P.Gauthier Interp: J.C.Grant Job No.: E-155



2.16492
 RECEIVED
 MAY 9 1996
 MINING LANDS BRANCH



LEGEND
 Instrument: BRGM DMNI-PLUS
 Transmitter Station: NAA CUTLER MAINE
 Frequency: 24.0 KHz
 Parameters Measured: INPHASE DIP ANGLE
 Vertical Scale: 1cm=40%
 Operator: R. & R. Mathieu



230

EXSICS EXPLORATION LTD.
 P.O. Box 1880, P4N-7X1
 Suite 13, Hollinger Bldg, Timmins Ont.
 Telephone: 705-267-4151

CLIENT: KRL RESOURCES CORP(CYPRUS J.V.)
 PROPERTY: SHINNING TREE PROJECT
 TITLE: MACMURCHY TWP
 VLF DIP ANGLE

Date: Feb. 1996 Scale: 1:5000 NTS:
 Drawn: P.Gauthier Interp: J.C.Grant Job No.: E-155