DURFELD
GEOLOGICAL
MANAGEMENT LTD.

OVERVIEW

WATSON BAR

GOLD PROJECT

24MINERAL CLAIMS - 444 claim units - 11,100 hectares

CLINTON MINING DIVISION, BRITISH COLUMBIA

Latitude 51° 03' North Longitude 122° 03' West

by

RUDOLF M. DURFELD, B.Sc., P.Geo.

November 1992

180 Yorston Street, Williams Lake, B.C., V2G 3Z1 • (604) 392-4691 Fax (604) 392-3070

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NOV 27 1992

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November 24, 1992.

Attention: Mr. John Brock
JOHN BROCK LTD
15TH-Floor 675 West Hastings Street
Vancouver, B.C.
V6B 1N2

RE: Watson Bar Property

Dear Sir,

As a further to our discussion enclosed please find the "Overview Watson Bar Gold Project" that introduces the Watson Bar Property. Although this report highlights two targets there are additional targets that have not been tested by trenching and/or drilling.

Should this property be of further interest to you, I can supply additional reports and would be happy to arrange a property tour for you. The property is on a main logging road and we have an Atco trailer camp and core shack still on site, so a tour at this time of the year can be beneficial.

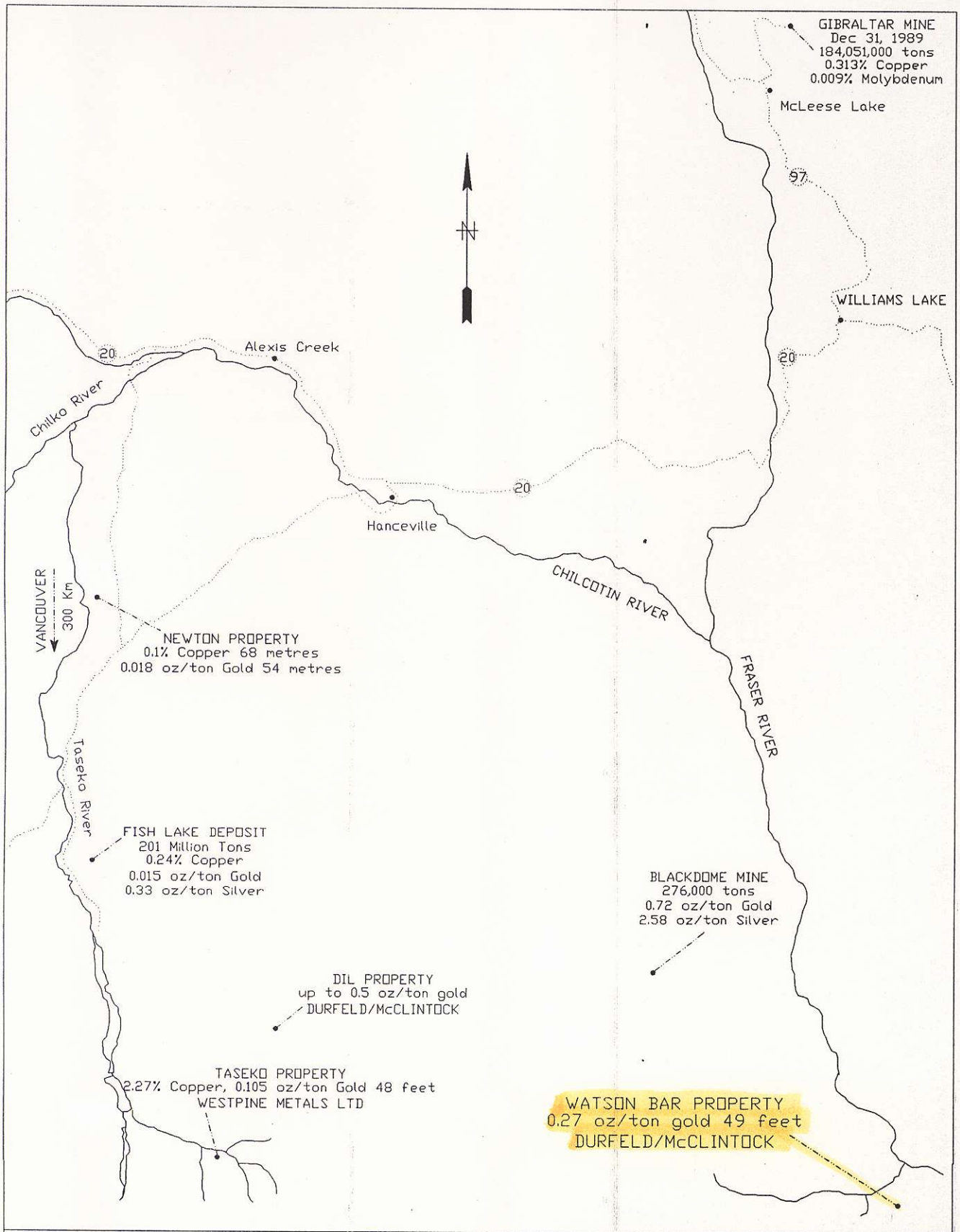
If you have any questions, please give me a call.

Till then.

Yours truly,

R.M. Durfeld, B.Sc., P.Geo.

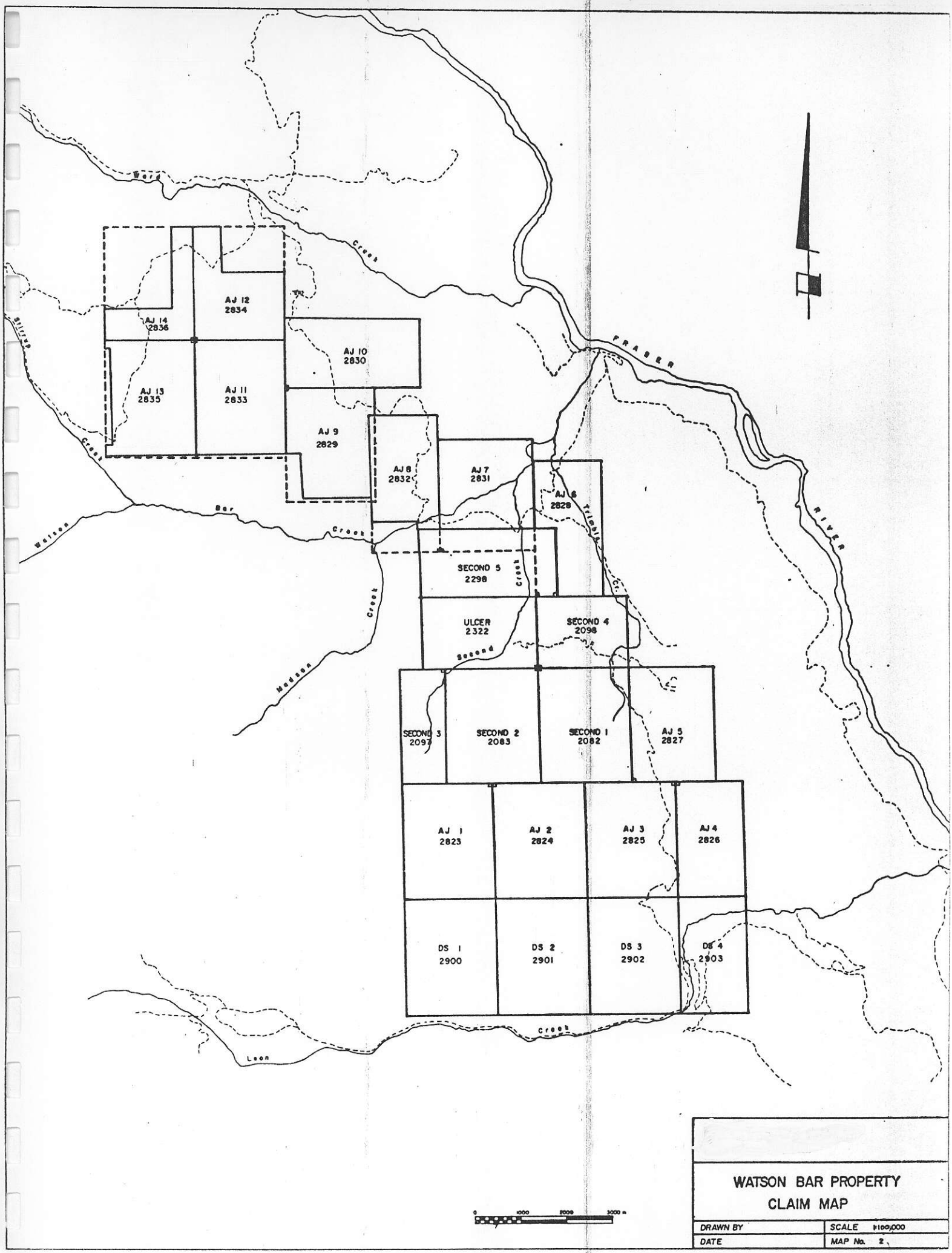
180 Yorston Street, Williams Lake, B.C., V2G 3Z1 • (604) 392-4691 Fax (604) 392-3070



SCALE 1:750,000
500 0 500 1000 1500

WATSON BAR PROPERTY
LOCATION PLAN
CLINTON MINING DIVISION

NTS 92O/1E
Figure 1A



WATSON BAR PROPERTY
CLAIM MAP

DRAWN BY	SCALE 1:100,000
DATE	MAP No. 2

1. INTRODUCTION

The Watson Bar property is located in the Clinton Mining Division 33 kilometres due west of the village of Clinton and 7 kilometres west of the Fraser River (Map No. 1). More precisely, it is centred at 51 degrees 3 minutes north latitude and 122 degrees 3 minutes west longitude. (NTS Map 92 0/1E) The property covers a large structurally northwesterly trending, structurally controlled hydrothermal alteration zone hosted by Cretaceous sediments of the Jackass Mountain Group and Eocene felsic volcanics. Locally this alteration zone hosts significant gold mineralization.

The property is readily accessible from the village of Lillooet via the all-weather Slok Creek logging road, a distance of 71 kilometres, or by helicopter from either Williams Lake or Lillooet. The Slok Creek logging road bisects the property and in conjunction with secondary cat trails provides good access to much of the property.

2. OWNERSHIP

The Watson Bar Property is comprised of 24 contiguous modified grid mineral claims for a total of 444 units.

The Watson Bar property, jointly owned by R.M. Durfeld and J.A. McClintock, is hereby offered for option. Proposed terms are available on request.

3. HISTORY AND PREVIOUS WORK

Early exploration in this area would have coincided with the Gold Rush on the Fraser River and subsequent placer mining in Watson Bar Creek just to the north of the Watson Bar Property during the period 1860 to 1900. The adit on the adjoining Mad claims and old open cuts on the Watson Bar property would have been excavated during this period.

In June 1980, E and B Explorations Inc. staked much of what is now the Watson Bar Property as the Carolyn 1 to 8 claims. E and B Explorations Inc. located these claims to acquire several large alteration zones hosted by Jackass Mountain Group sedimentary rocks. Dome Mines staked the Leon 1 to 5

mineral claims to the south of the Carolyn claims.

Work by E and B Explorations Inc. on the Carolyn claims, identified a northwesterly trending zone of silicification, kaolinization and carbonate alteration to be coincidentally anomalous for mercury, arsenic and gold. In 1986 and 1987, E and B permitted the Carolyn claims to lapse and Durfeld-McClintock acquired this alteration target by staking.

In October 1987 Cyprus Canada Inc optioned the property as an epithermal gold target. During the period 1987 to 1991 Cyprus conducted soil and rock geochemical sampling, Induced Polarization, and trenching surveys that in conjunction with geological mapping defined targets for diamond drilling. The results of these surveys are compiled in the reports on the Watson Bar Project, February 1990 and February 1992. These reports defined fourteen zones of interest as geochemically anomalous (gold, arsenic, mercury) in soil and rock samples in conjunction with Induced Polarization response. Trenching and diamond drilling defined significant gold mineralization in zones V and zone I. Not covered in these reports is a a more regional -270 mesh geochemical silt sampling survey that showed anomalous sites in the areas of known mineralization and showed highly anomalous gold values, to the southeast of the main area of interest, in the headwaters of Trimble Creek.

4. GEOLOGY

The claim area covers a northerly trending splay of the Fraser River Fault that brings rhyolitic to dacitic pyroclastic rocks of Eocene-age in contact with sedimentary rocks of the Lower Cretaceous Jackass Mountain Group to the southwest. More recent regional mapping by Dr. P. B. Read 1987 (B. C. Department of Mines Open File 1988-29) has shown the intermediate to mafic volcanic rocks to the northeast of the Jackass Mountain Group in the south central property area as the Lower Cretaceous Spences Bridge Group rather than the Eocene volcanics.

The generalized property geology is given at a scale of 1:20,000 on the attached geology plan. In the property area the Jackass Mountain Group is intruded by a 700 by 500 metre elyptical shaped stock of Granodiorite and younger dykes of feldspar and quartz porphyry. Throughout most of the grid area, the Jackass Mountain strata strike northwesterly to

northerly with shallow to moderate westerly dips. Variations in the strike of the strata suggest the rocks are gently folded. Local folding documented by fold axes on an east to northeast trend thicken the siltstone and graphitic horizon associated with the silicification in the Main Showing (Zone V) area.

Large regions of hydrothermal alteration in part driven by the intrusive activity, have been identified as carbonate, phyllic/argillic and silicification as quartz veining and silica flooding.

4.1 Mineralization

Sulphide mineralization noted in order of abundance occurs as pyrite, arsenopyrite, galena, chalcopyrite, sphalerite, stibnite and cinnibar. Pyrite typically occurs as disseminations, while the other sulphides are restricted to quartz veins and fractures. Visible gold has been noted as distinct rounded grains and flakes in quartz-sulphide veins. Pyrite content of the sediments is typically 1-2%, but in zones of mineralization overall sulfide content increases to 10-15%. Arsenopyrite, Galena, chalcopyrite, and shphalerite are typically found associated with the gold bearing quartz veins.

4.2 Geological Model

The style of hydrothermal alteration, silicification, sulphide mineralization and gold in quartz veins identifies the Watson Bar property as an Epithermal - Gold prospect. Exploration to date has recognized the economic potential as disseminated bulk tonnage and high grade lode gold veins. The zones of interest are plotted on the idealized cross section, also showing the relative abundances of gold, mercury and arsenic. This sketch suggests the presence of vertical mineral zoning, typical of an epithermal system, on the Watson Bar property. This sketch also suggests that on the Watson Bar property the gold component has not been eroded.

5 EXPLORATION POTENTIAL

The work to date on the Watson Bar property shows Zones I, V and the Trimble Creek -270 mesh silt anomaly as being the most prospective areas. Additional zones are identified by a compilation of geochemical and induced polarization results.

Zone I

Zone I encompasses an easterly trending zone measuring 1,000 metres by 150 metres. At the eastern end, the zone is terminated by the West Second Creek Fault while the western end appears to merge into Zone II.

The zone occurs mostly in Jackass Mountain Group greywackes. An easterly trending series of feldspar porphyry dykes cuts through the center of the zone. Large areas of breccia occur in the greywacke. These breccias vary from crackle breccias to those consisting of rotated subangular fragments. All of the breccias are clast supported and cemented by varying amounts of chalcedony, limonite and carbonate. The clasts are intensely sericitized and silicified.

Chalcedonic quartz veins and stock works ranging from a few centimetres to 1.5 m are common. These veins often contain dark grey streaks caused by very fine-grained pyrite and arsenopyrite.

The geochemical response of zone I showed anomalous gold, mercury and arsenic values. The Induced Polarization survey indicated the silicified zones corresponding to a resistivity high response, with a moderate chargeability high coincident with the central portion of the high resistivities, suggesting a silicified sulphide rich rock as a possible source.

One diamond drill hole, 91-11, collared at 97+91 E and 100+80 N tested the northern extent of this anomaly. It intersected a strong quartz-carbonate-sericite and lessor kaolinite altered section of sandstone to siltstone cut by feldspar porphyry dykes and sills at 50 degrees to the core axis to 132 metres. Below 132 metres, the lowest dyke contact, the sandstone and siltstone with short graphitic sections is less altered. In the altered section arsenic values were anomalous (>150 ppm) with low gold values (<25 ppb). From 73 to 79 metres, a weakly sheared, sulphide rich, carbonaceous and silicified zone with returned arsenic values of up to 59385 ppm and averaged 863 ppb gold. Extensive core loss was encountered in this section. Additional drilling, to the south of 91-11, is necessary to define the geometry of the alteration and mineralization of this zone.

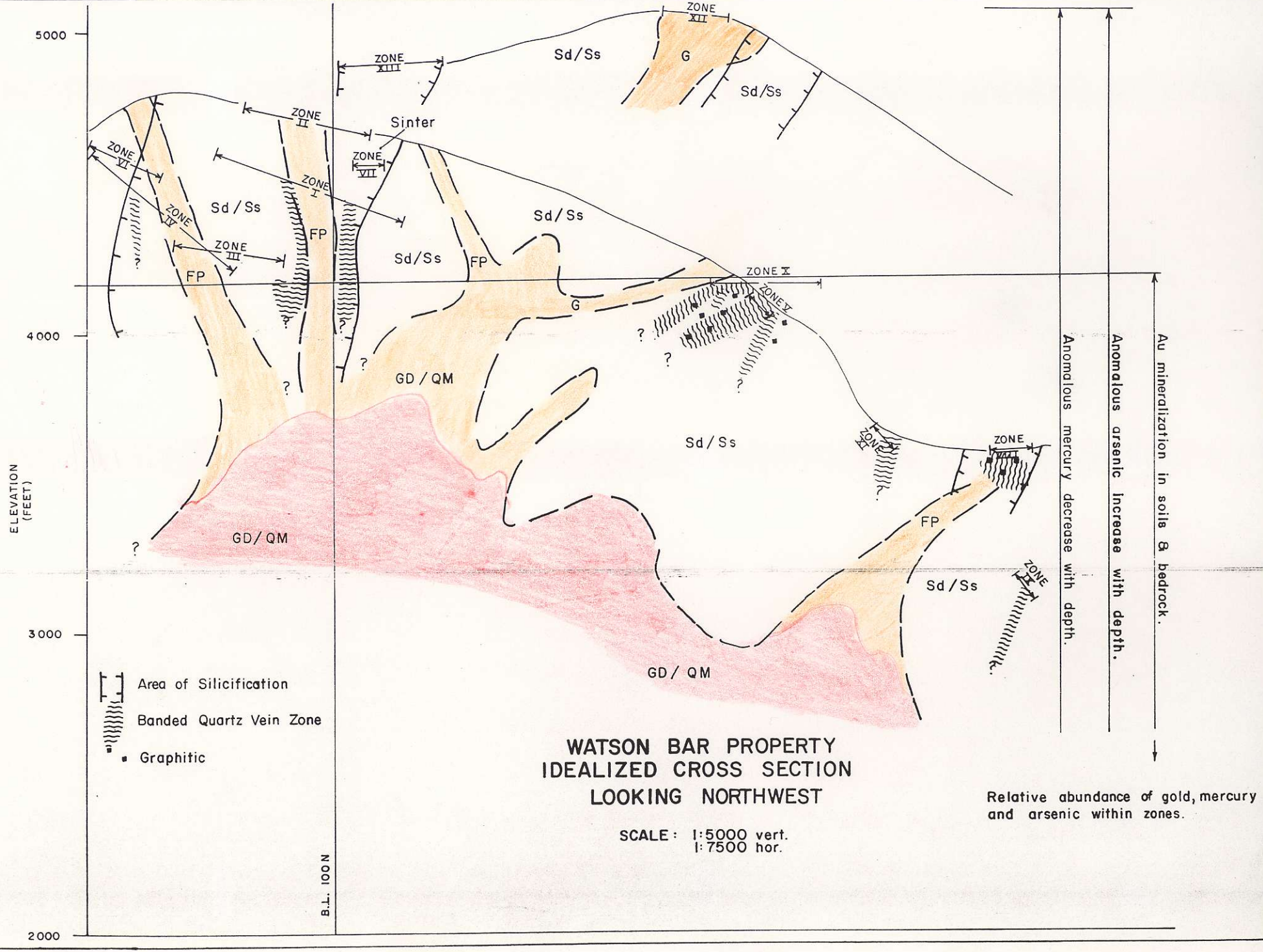
Zone V

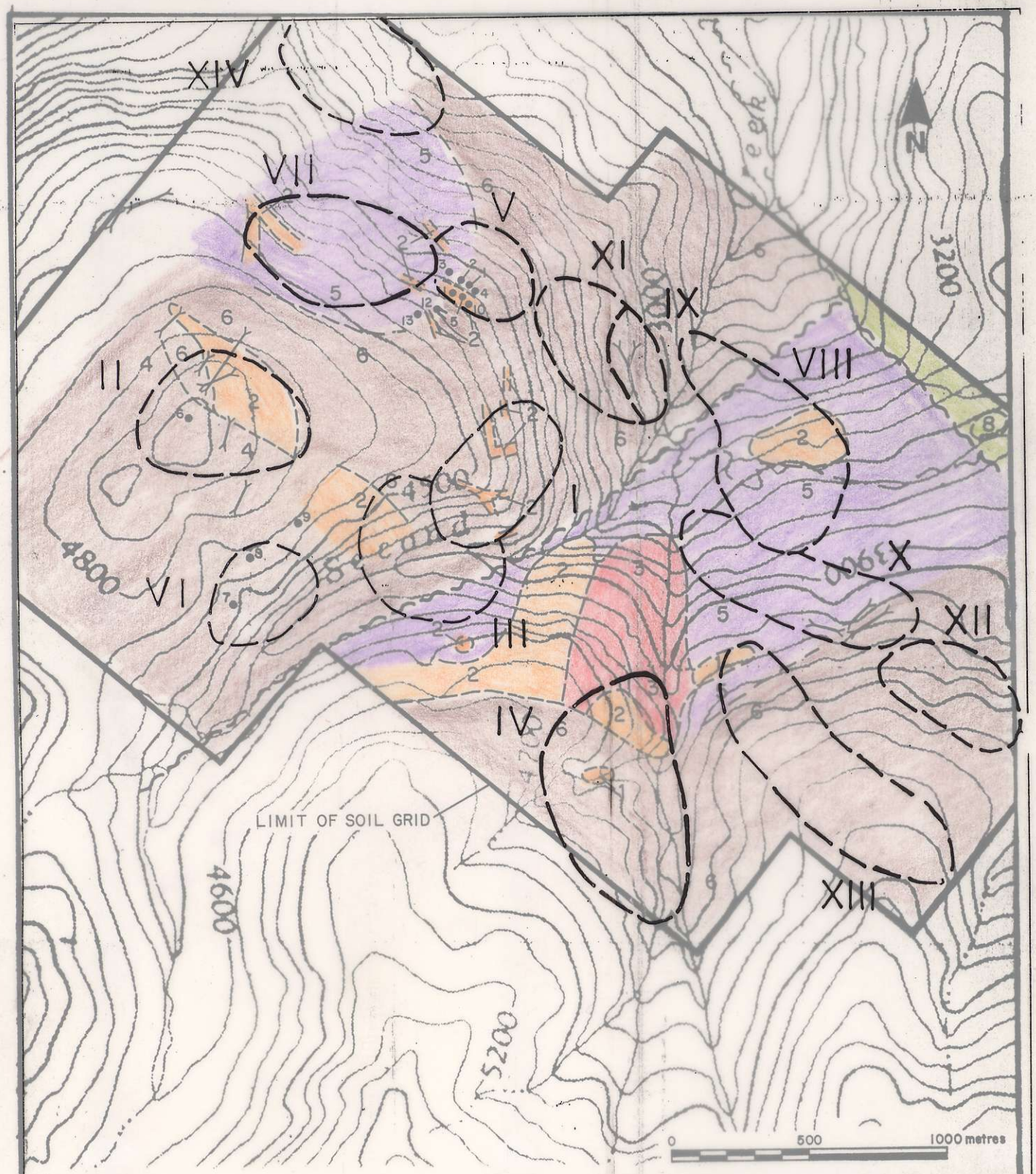
Zone V, the Switchback Zone, was discovered during the follow-up of a gold-arsenic-copper in soil anomaly in an area devoid of outcrop. Trenching of this anomaly identified several banded quartz-sulphide (pyrite, arsenopyrite, galena, sphalerite) veins, hosted by a siltstone. These veins have been traced for a strike length in excess of 200 metres and are conformable to a carbonaceous hangingwall which is parallel to the regional northwesterly bedding. Drilling has shown this carbonaceous horizon to be conformable on a 20 degree dip for at least 200 metres downdip. Silicification and mineralization as sulphide and/or gold, although generally present with and below this carbonaceous horizon, is variable. Attached 'Zone V Compilation Plan' shows the significant intersection and sampling results of zone V. This trenching and drilling has indicated thicknesses of the gold bearing vein zones to vary from centimetres to in excess of 5 metres. Trench sampling returned assays of up to 159,000 ppb (4.65 oz/t) over 1 metre, while the diamond drilling returned an assay in WB 89-1 of 38.99 G/T (1.14 oz/t) gold over 1 metre in a section that averaged 20.01 G/T (.58 oz/t) gold over 5 metres. This gold mineralization shows a strong association with arsenopyrite and galena. Diamond drill hole 91-12, tested the deepest mineralized intersection and returned gold mineralization over significant thicknesses. This hole was lost in mineraliztion due to drilling difficulties.

A two-fold potential is seen for zone V:

1.) As a highgrade vein system similar to the surface showing and that encountered in diamond drill hole 89-1. To test for possible structural and/or stratigraphic controls on this highgrade mineralization, an initial diamond drill progrma conprised of a series of shallow holes is warranted in the area of 89-1.

2.) As a lower grade stratigraphically controlled mineralized zone with large tonnage potential with included higher grade zones. This potential is demonstrated by diamond drill hole 91-12 and would be tested by additional wide spaced drilling in the area of this hole.


5000
4000
3000
2000
ELEVATION (FEET)
B.L. 100 N
ZONE I
ZONE II
ZONE III
ZONE IV
ZONE V
ZONE VI
ZONE VII
ZONE VIII
ZONE IX
ZONE X
ZONE XI
ZONE XII
ZONE XIII
Sinter
Sd/Ss
G
FP
GD/QM
Au mineralization in soils & bedrock.
Anomalous arsenic increase with depth.
Anomalous mercury decrease with depth.
Area of Silicification
Banded Quartz Vein Zone
Graphitic
WATSON BAR PROPERTY
IDEALIZED CROSS SECTION
LOOKING NORTHWEST
SCALE: 1:5000 vert.
1:7500 hor.
Relative abundance of gold, mercury and arsenic within zones.



LEGEND:

- 1 Quartz porphyry
- 2 Feldspar porphyry
- 3 Granodiorite
- 4 Graphite
- 5 Siltstone
- 6 Sandstone
- 7 Conglomerate
- 8 Andesite

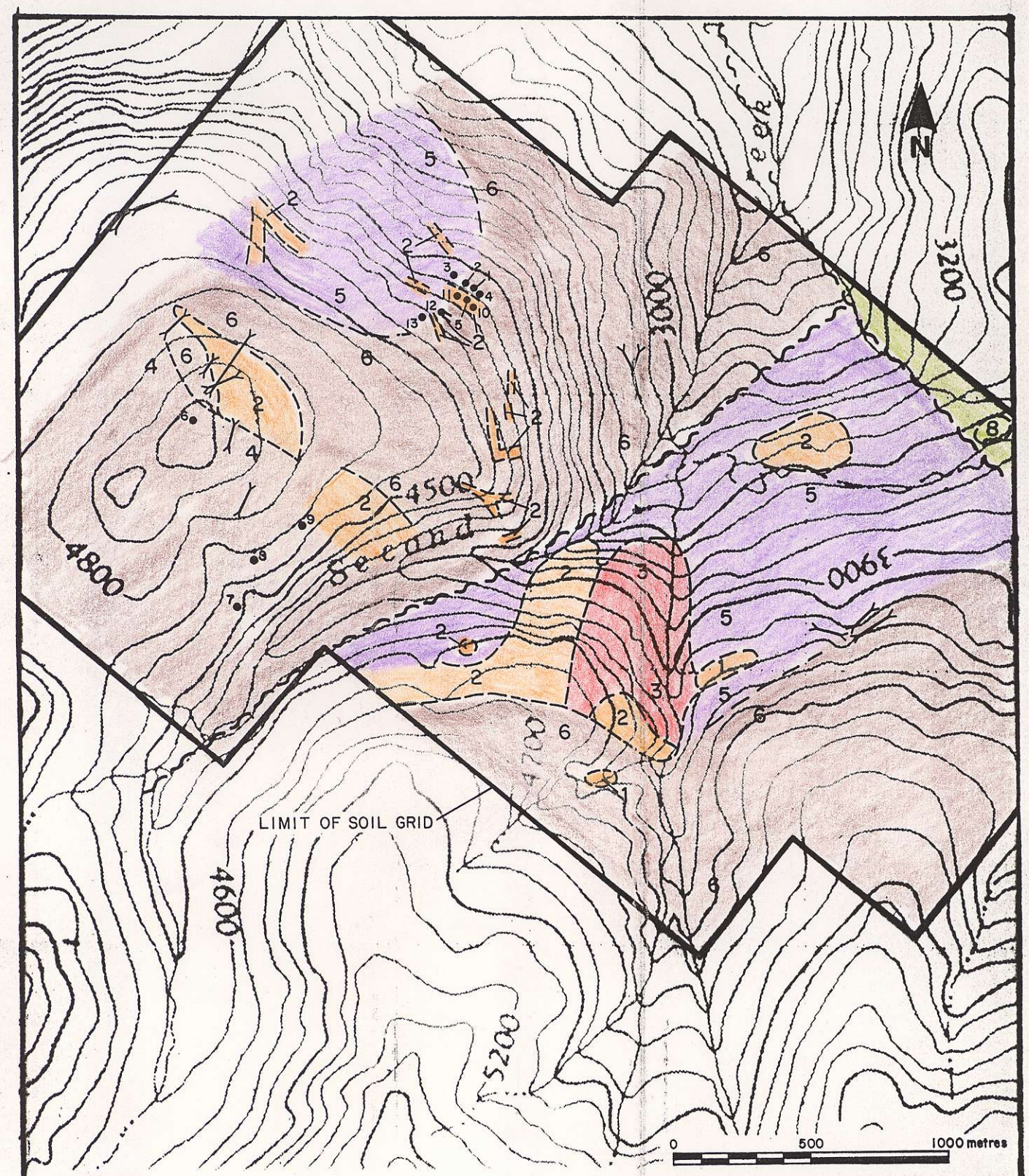
- Contact
- Fault
- 1989 D.D.H.
- Trench

CYPRUS GOLD (Canada) Ltd.

WATSON BAR PROJECT

GEOLOGY

DRAWN	SCALE
DATE	FIG. No.



LEGEND:

1 Quartz porphyry	Contact
2 Feldspar porphyry	Fault
3 Granodiorite	1989 D.D.H.
4 Graphite	Trench
5 Siltstone	6 Sandstone
	7 Conglomerate
	8 Andesite

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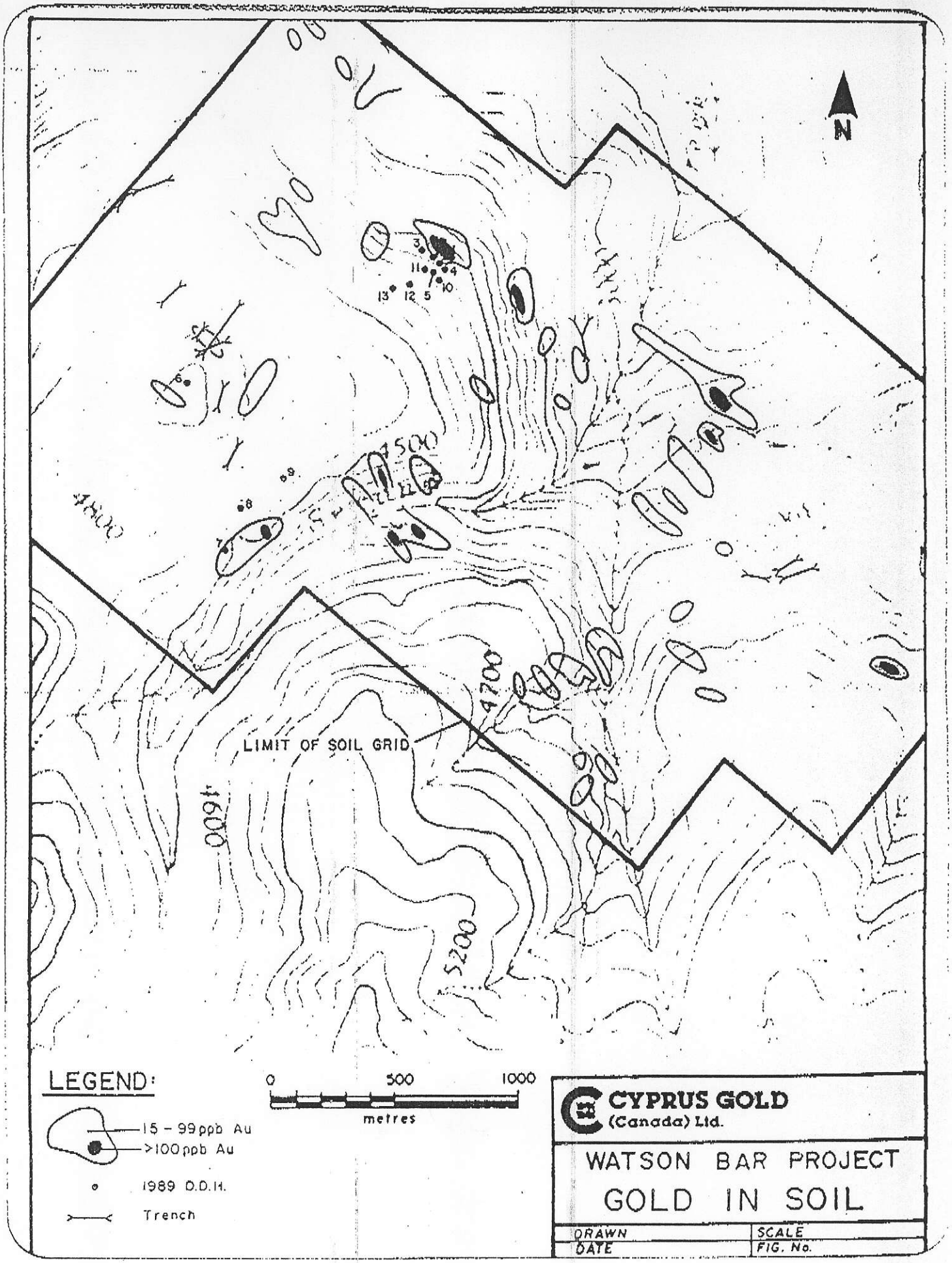
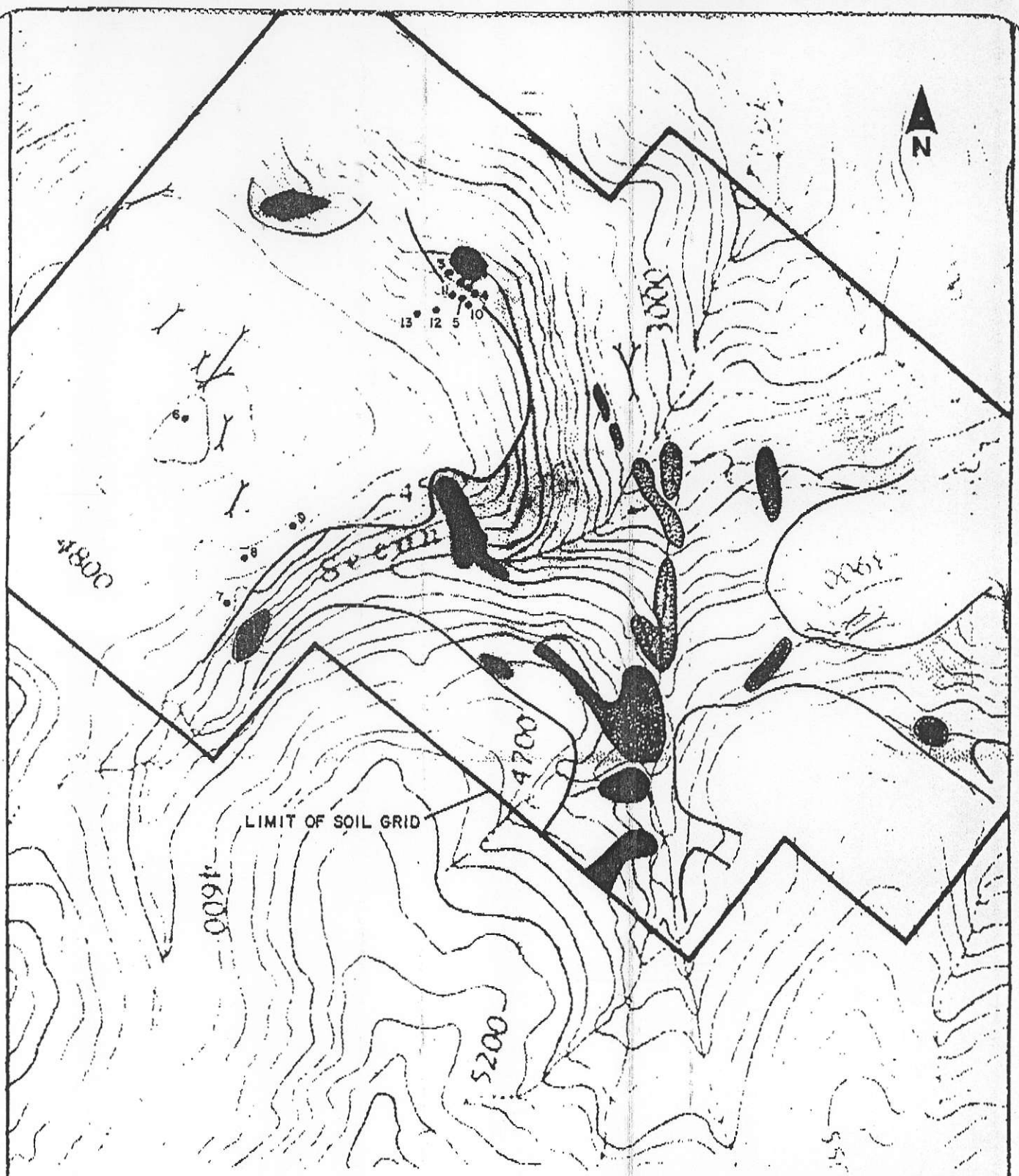
WATSON BAR PROJECT

GEOLOGY

DRAWN	SCALE
DATE	FIG. No.


N
4500
4800
4700
4600
5200
LIMIT OF SOIL GRID
LEGEND:
15 - 99ppb Au
>100ppb Au
1989 D.D.H.
Trench
0
500
1000
metres
CYPRUS GOLD
(Canada) Ltd.
WATSON BAR PROJECT
GOLD IN SOIL
DRAWN
DATE
SCALE
FIG. No.



LEGEND:

0 500 1000
metres

140 – 1000 ppb Hg
>1000 ppb Hg

1989 D.D.H.

Trench

CYPRUS GOLD
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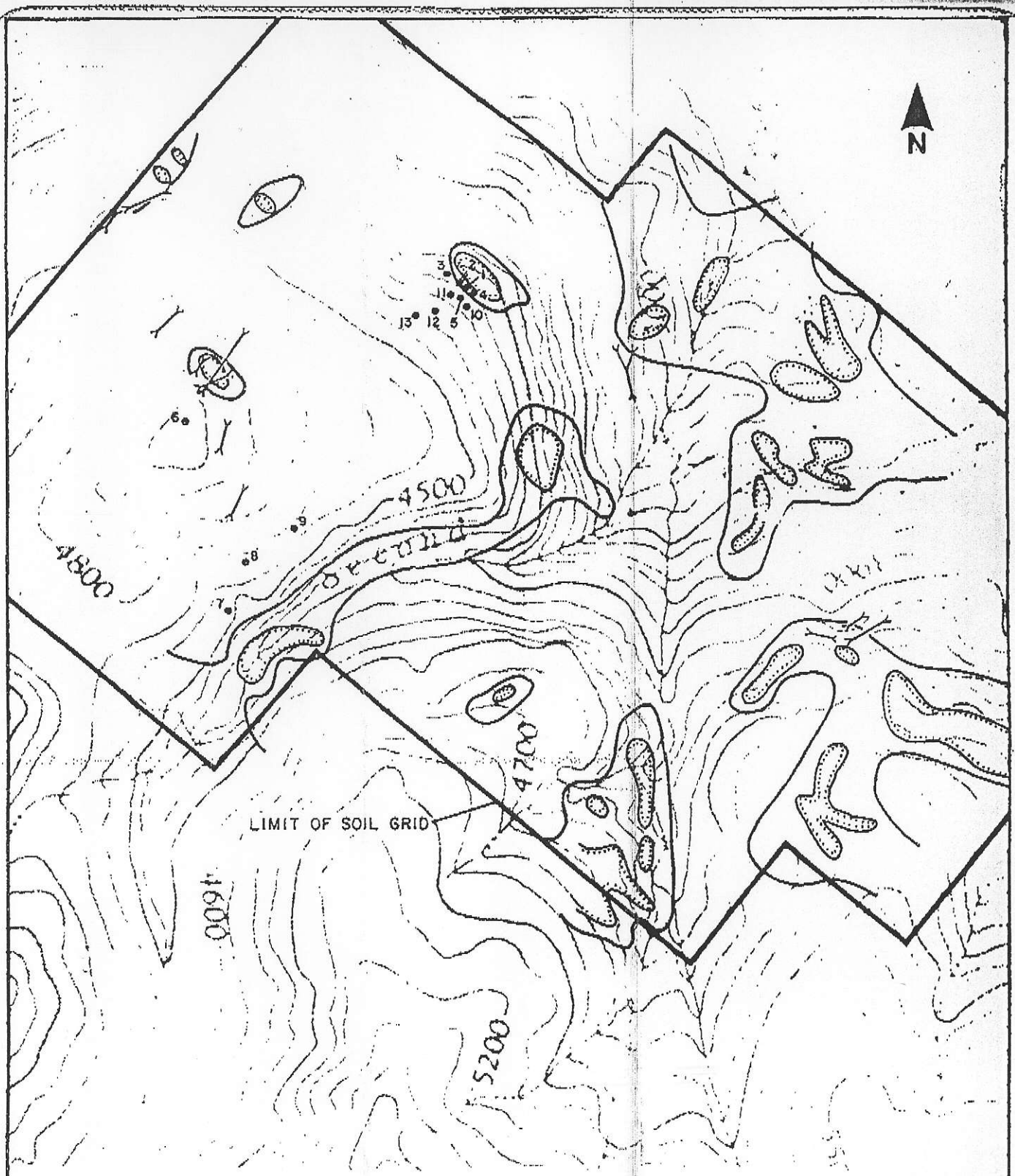
WATSON BAR PROJECT
MERCURY IN SOIL

DRAWN	SCALE
DATE	FIG. No.



LEGEND:

40 – 200 ppm As

>200 ppm As

1989 D.D.H.

Trench

0 500 1000

metres

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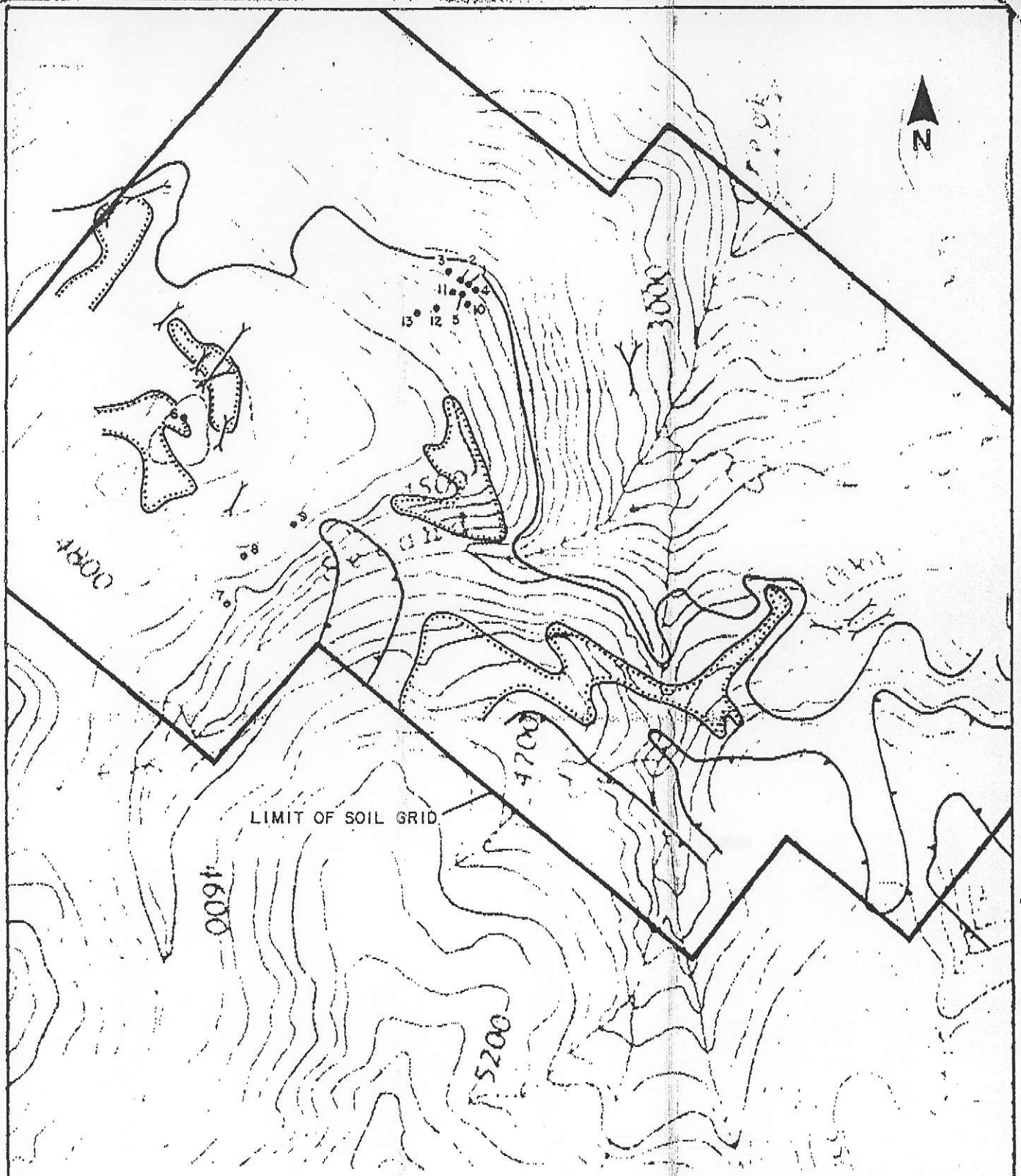
WATSON BAR PROJECT

ARSENIC IN SOIL

DRAWN	SCALE
DATE	FIG. No.



LEGEND:

300 – 700
>700

1989 D.D.H.

Trench

0 500 1000
metres

RESISTIVITY IN ohm-m

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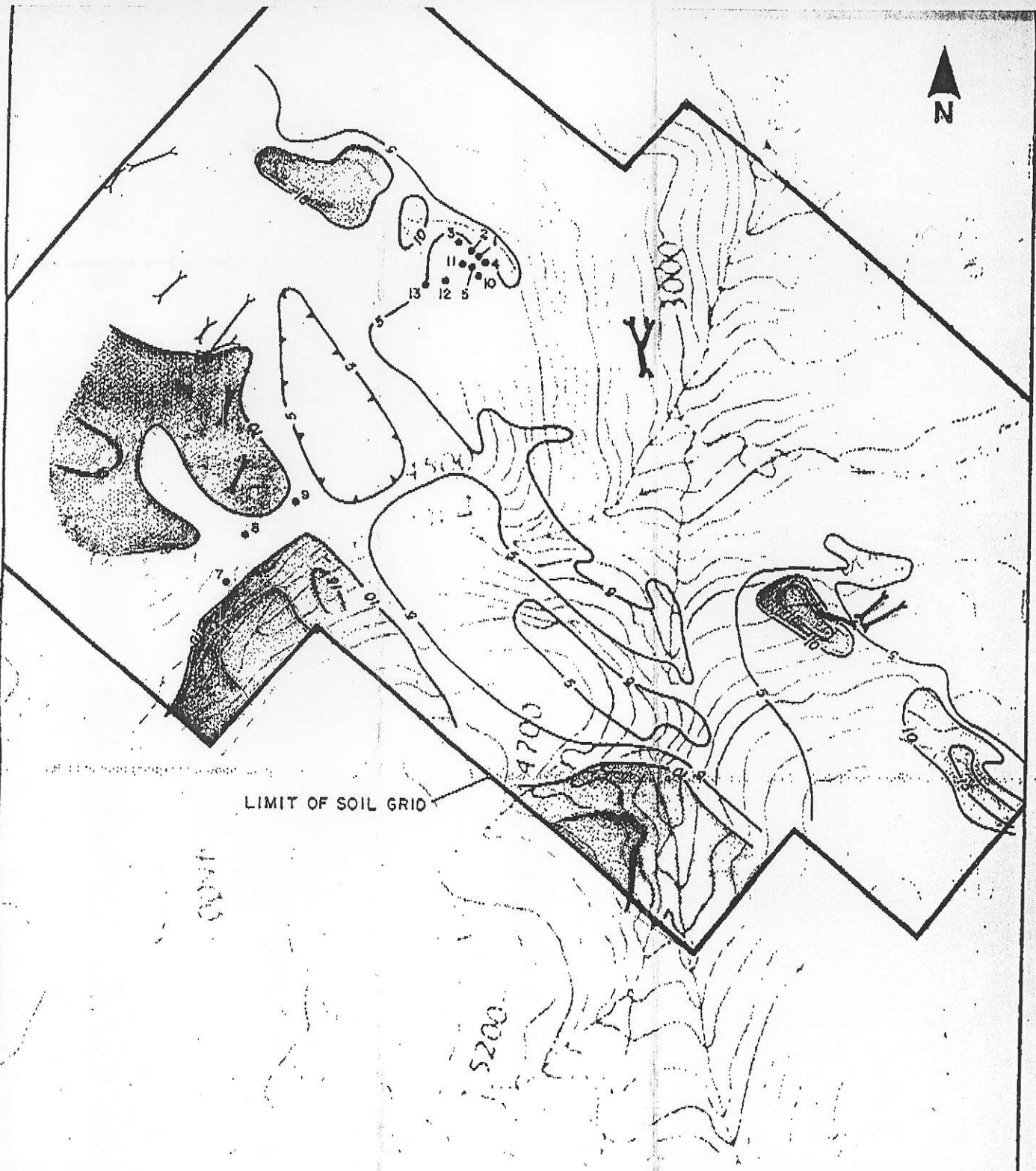
WATSON BAR PROJECT
RESISTIVITY

DRAWN	SCALE
DATE	FIG. No.



LEGEND:

0 500 1000
metres

CHARGEABILITY IN m.secs

1989 D.D.H.

Trench

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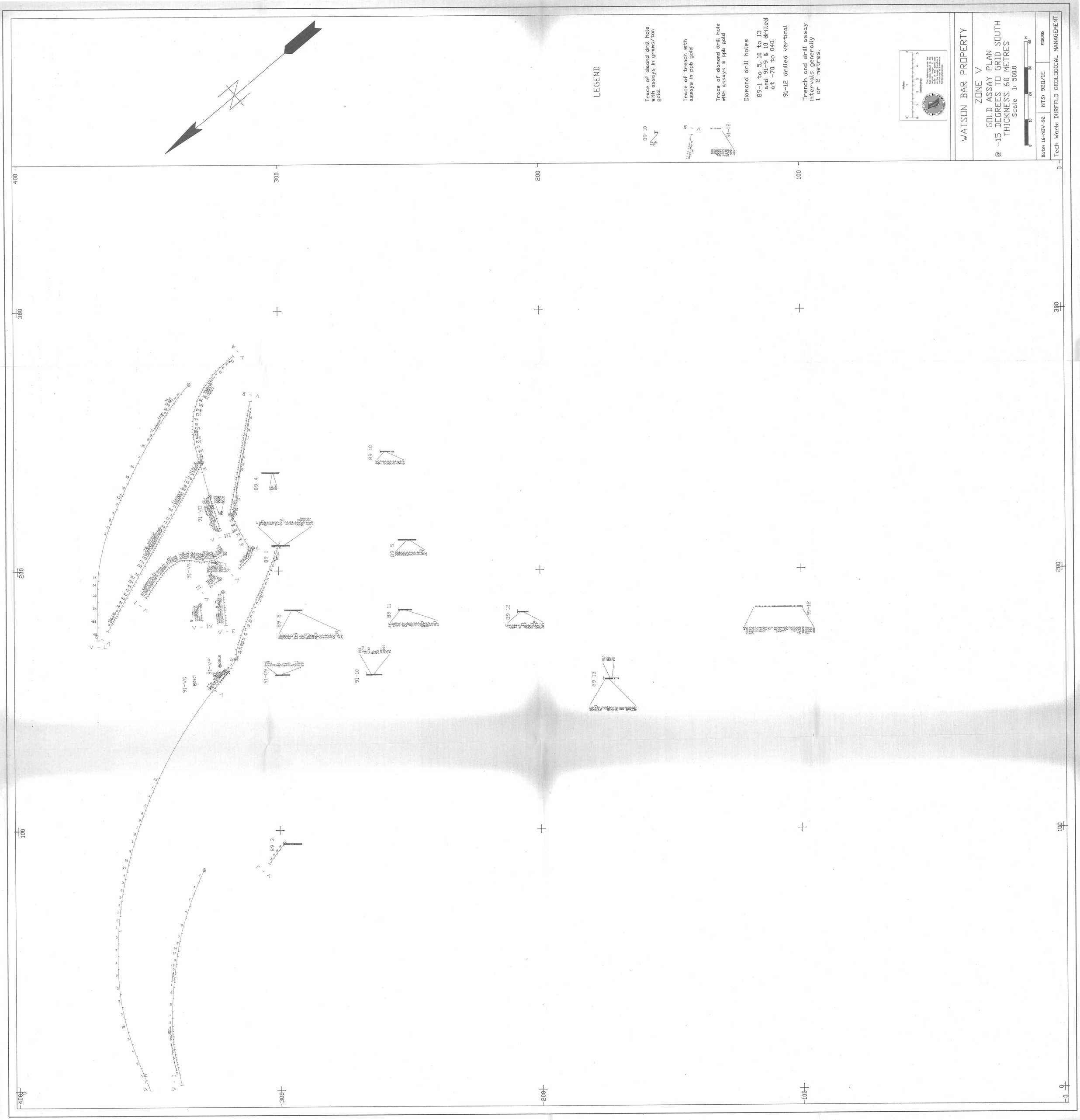
WATSON BAR PROJECT
CHARGEABILITY

DRAWN	SCALE
DATE	FIG. No.


LEGEND
Trace of diamd drill hole with assays in grams/ton gold.
Trace of trench with assays in ppb gold
Trace of diamond drill hole with assays in ppb gold
Diamond drill holes
89-1 to 5, 10 to 13 and 91-9 & 10 drilled at -70 to 040.
91-12 drilled vertical
Trench and drill assay intervals generally 1 or 2 metres.
WATSON BAR PROPERTY
ZONE V
GOLD ASSAY PLAN
@ -15 DEGREES TO GRID SOUTH
THICKNESS 60 METRES
Scale 1: 500.0
Date: 16-NOV-92
NTS: 92D/1E
FIGURE
Tech Work: DURFELD GEOLOGICAL MANAGEMENT
89 1
89 2
89 3
89 4
89 5
89 10
89 11
89 12
89 13
91-VD
91-VN
91-VP
91-VQ
91-09
91-10
91-12
V - I
V - II
V - III
V - IV
V - V