

W. J. ...

810153

MINERAL EXPLORATION DIVISION

A. F. E. No. 32-71-A

TITLE: IDA PROSPECT, VANCOUVER ISLAND
BRITISH COLUMBIA

ESTIMATED
COST:

	Total Expenditures to 31/12/71 on A. F. E. 32-71 *	32-71-A Proposed A. F. E.	Estimated Total Expenditures to 31/12/72
Acquisition	\$ 5,650	\$ 5,500	\$ 11,150
Salaries & Wages	5,200	10,000	15,200
Surveying & Mapping	250	500	750
Outside Contract Services	2,650	2,000	4,650
Geophysics	--	--	--
Geochemistry	2,250	--	2,250
Drilling	--	30,000	30,000
Assaying & Sampling	--	1,500	1,500
Travel	2,200	2,000	4,200
Air Charter	1,500	3,000	4,500
Equipment	350	250	600
Miscellaneous	200	250	450
	<u>\$ 20,250</u>	<u>\$55,000</u>	<u>\$75,250</u>

* Total Approved Expenditure under A. F. E. 32-71 ... \$23,500

PROJECT
DESCRIPTION:

The IDA claim group, consisting of 58 full and 2 fractional claims, optioned from three geologist/entrepreneurs of Vancouver is located on northern Vancouver Island, on the northern side of Holberg Inlet, approximately five miles west of the village of Coal Harbour. Access to the property is either by boat from Coal Harbour, or by helicopter from Port Hardy. A further group of claims, ADI 1-42, was staked late in 1971, east of the Ida group from which they are separated by ground held by other companies. These claims lie on the same favourable trend and although outside the prescribed limits of the optioned ground, will be worked in conjunction with the IDA claims, under the same budget heading.

Geologically, the southern part of the Ida claims is underlain by Bonanza Volcanics (Triassic) which strike approximately N 70°W and dip southwesterly at 20° to 40°. The northern half of the claim group is underlain by Jurassic-Tertiary intrusives.

Within the Bonanza Volcanic Formation, an important west-northwesterly mineral trend is recognized as a result of several years careful exploration work by Utah Construction and Mining. Their work has led to the discovery of the large (+280 million tons of 0.46% Cu) Island Copper mine which has just gone into production and at least three other significant mineral deposits along this trend to the west-northwest, of which the most important at this time appears to be Utah's very active Expo #1 prospect. This mineral trend passes through the Ida claim group.

Previous exploration work on the property included soil sampling, ground magnetics, and an I.P./resistivity survey. During 1971 Cyprus carried out a program of detailed mapping, soil geochemistry and magnetometer surveys on the Ida claims which fulfilled the option commitments. This work established the presence of a north-northwest trending fault zone, associated with intense alteration and pyritization of andesites of the Bonanza sequence, which is partly coincident with a low magnetic background and on trend with the Island Copper porphyry deposit to the southeast. The presence of a weak copper soil geochemical anomaly and a highly silicified breccia zone within the area of alteration provide strong similarities to the Island Copper environment and prime targets for further testing by diamond drilling.

The option agreement between Garnet Exploration Corporation and the owners was signed on September 21, 1971 and provides that Cyprus (through Garnet Exploration Corporation) may earn 100% in these claims by fulfilling the following conditions:-

1. Down payment of \$2,500 and a work commitment of \$10,000 prior to December 20th, 1971 to include at least one year's assessment work.
2. Payment of an additional \$2,500 on or before December 20th, 1971 plus an additional work commitment of \$30,000, which must include a minimum of 1,500 feet of diamond drilling.
3. Payment of \$5,000 plus a work commitment of \$70,000 on or before June 1st, 1972.
4. Cash payments up to two million dollars total, over a period of ten years (first three payments totalling \$10,000 to be credited against total purchase price). Work commitments beyond those in (3) above at Cyprus's discretion.
5. Cyprus would have the right to abandon the option at completion of stages 1, 2, or 3 above, or at any anniversary beyond June 1st, 1972.

WORK
PROGRAM:

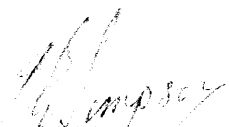
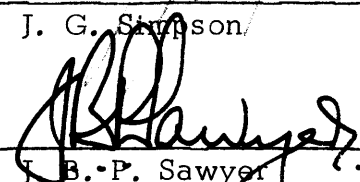
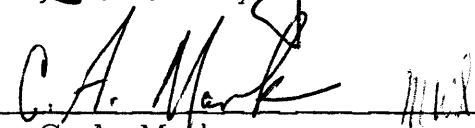
It is proposed to carry out up to 3,000' of BQ diamond drilling on the IDA claims to test the various combinations of pyritization, alteration, geochemical anomaly and breccia zone, present within the property boundaries. At the same time further geological mapping will be carried out on the ADI claims for which geochemical and geophysical data is available from previous surveys carried out by other companies, to determine the suitability of these areas for further work. In addition, reports giving the details of earlier work on the intervening ground between the Ida claims and the newly staked Adi claims, are presently being studied. This ground could probably be acquired on favourable terms if desired, giving Cyprus control of about five miles of strike length along the favourable mineral trend. Should acquisition of this additional ground be completed, additional funds will be required for further exploration.

JUSTIFICATION:

The pyritization, alteration, silicification, and structural features noted on the IDA claims compare closely to the marginal phenomena reported from the Island Copper deposit and there is no doubt that both the IDA and ADI claims lie along a major mineralized zone. A recent report by the B.C. Department of Mines who have done extensive work throughout the porphyry belt, mentions the IDA claim area as containing significant parallels to the Island Copper deposit.

APPROVAL:

DATE

 _____ J. G. Simpson	<u>23 DEC 1971</u>
 _____ J. B. P. Sawyer	<u>23.12.71</u>
 _____ C. A. Mark	<u>Jan. 12, 1972</u>
_____ J. G. Hansen	_____
_____ K. Lieber	_____

INTER OFFICE MEMO

CYPRUS EXPLORATION CORPORATION LTD.

VANCOUVER OFFICE	
TO	REPLY
	COMMENT
RETURN TO	
AUG 30 1971	
1	CAA
2	WOT
3	
4	
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Date: August 26, 1971

Ref.: 1290-CVL

To: C. A. Mark

From: J. B. P. Sawyer

Subject: AFE FOR IDA PROSPECT-VANCOUVER ISLAND, B.C.

I enclose an AFE covering the proposed work program on Doug Leighton's prospect in the Island Copper area, northern Vancouver Island. Our minimum commitment, if we go for this deal, is the \$2,500 cash payment and \$10,000 work commitment; however, in order to accomplish one year's acceptable assessment work (to value of \$6,000), we will probably need to spend in excess of this \$10,000. In addition, I think the minimum we would want to do would involve a fairly thorough, detailed soil sampling program and geological mapping with possibly some ground magnetometer work. As you will see, I have estimated \$23,500 to complete this type of program.

You will recall when we discussed this when you and J. G. Hansen were in B.C. that he advised us to include some money for preliminary drilling in the first AFE. If we do this, we will require approximately an additional \$30,000. In view of the day to day changes in policy as regards these things, I am submitting an alternate page one for this AFE so that it can be submitted for approval in either form. (How's your sleight of hand?)

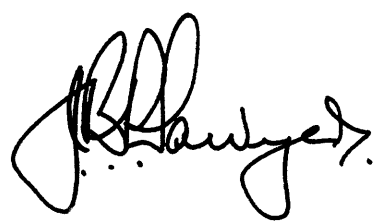
If we are going to proceed on this, we will also need an option agreement between D. G. Leighton and Cyprus. The terms of the proposed option are as outlined briefly in the AFE. The two million dollar price tag may appear ambitious; however, all we are looking at really is a \$20,000 first look, or \$50,000 if we think it is worth drilling. This should give us enough information to decide whether or not there is any real potential for ore, and if we should happen to luck onto an orebody, the two million dollars won't seem so bad. A summary of the main points which should be included in an option agreement is as follows:

- 1) Down payment upon signing agreement of \$2,500 plus a work commitment of \$10,000 which must include at least one year's assessment work on all of the 60 claims, prior to December 31, 1971.
- 2) Payment of an additional \$2,500 on or before December 20, 1971 plus an additional work commitment of \$30,000. This is intended to ensure a minimum of 1,500 feet if we do any drilling at all, and would be included in the \$30,000 work commitment.

- 3) Payment of \$5,000 plus a work commitment of \$70,000 on or before June 1st, 1972.
- 4) On the assumption that if we still are interested after this stage, there would obviously be something of major interest on the claims, and;so we would want to proceed to production as soon as possible, no further work commitments are specified. The balance of the two million dollars in cash would be payable in installments at regularly scheduled intervals in amounts left to our discretion (which should be realistic, i.e., probably \$10,000 minimum annually for the first few years.)
- 5) Cyprus would have the right to abandon the option at completion of any of the major stages, or at any anniversary beyond June 1st, 1972.
- 6) Cyprus would file or make available for filing all of the work performed and would undertake to keep the claims on the property in good standing during the currency of the option.
- 7) All reports and information would be turned over to Leighton if the project is terminated.
- 8) Any drill core would also be turned over to the vendor upon termination of the project.
- 9) Any claims newly staked by either party during the currency of the option and within one mile of the present baoundary would become a part of the option property. This would not include presently existing claims in which Cyprus may acquire an interest through further negotiation.
- 10) Vendor would have access to information on the work in progress, and would also have access to the property, at reasonable intervals.

I also enclose a copy of Art Humphrey's brief report on this prospect from which you will see he is fairly positive about it. If you still feel this is worth some more work and can acquire the wherewithal, perhaps you will have M. P. & G. proceed at their usual high speed with drawing up an agreement.

Report attached & filed in "REPORTS"



JBPS/ndk

Encls:

TITLE: Ida Prospect
 Vancouver Island,
 British Columbia

ESTIMATED COST:	Acquisition	\$11,500
	Salaries & Wages	4,500
	Surveying & Mapping	500
	Geophysics	5,000
	Geochemistry	3,000
	Outside Contract Services	3,000
	Drilling	18,000
	Excavation	3,000
	Assaying & Sampling	1,000
	Travel	2,500
	Equipment	250
	Miscellaneous	250
	TOTAL	\$53,000

PROJECT DESCRIPTION:

The Ida claim group, consisting of fifty-eight full and two fractional claims, owned by three geologist/entrepreneurs of Vancouver, is located on northern Vancouver Island, on the northern side of Holberg Inlet, approximately five miles west of the village of Coal Harbour. Access to the property may be had either by boat from Coal Harbour, or by helicopter from Port Hardy.

Geologically, the southern part of the Ida claims is underlain by Bonanza Volcanics (Triassic) which strike approximately N 70°W and dip southwesterly at 20° to 40°. The northern half of the claim group is underlain by Jurassic-Tertiary intrusives.

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