

## CYPRIUS EXPLORATION CORPORATION, LTD.

INTER OFFICE MEMO

VANCOUVER OFFICE

TO: MR. J. G. HANSEN

DATE January 24 19 68

FROM: MR. D. W. TULLY

SUBJECT: NEW COPPER DISCOVERY

PORT HARDY AREA - NORTH END VANCOUVER ISLAND, B. C.  
UTAH CONSTRUCTION & MINING COMPANY

Utah Construction and Mining has officially announced they have a large ore body at the Rupert Inlet Section, Port Hardy Area, North end of Vancouver Island, in a prospectus issued by Dean, Witter and Co. of New York covering a bond issue for Utah Construction. Reports in Vancouver state Utah has outlined something like 80,000,000 tons averaging 0.6% copper. Molybdenite is rarely mentioned in connection with this discovery. Four diamond drills have been working since last August.

Magnet Explorations Limited, a Vancouver exploration company, approached Cyprus Exploration on January 18th through Mr. John Tancouney, the President. He wanted Cyprus to take down a stock option amounting to 100,000 shares at \$1.50 per share to explore his ground. Magnet stock is unlisted and is currently selling at \$1.50-\$1.70 per share. According to Tancouney the issued capitalization of Magnet Explorations is 1,250,000 shares, 900,000 shares are in escrow.

Magnet Explorations hold two properties, one on the northeast and one on the southwest adjoining Utah's property. Mr. Tancouney reports copper-bearing float and strong geochemical anomalies on both his properties.

I contacted Mr. W. G. Stevenson, Consulting Geologist, Vancouver, who had made an examination of some of the properties adjoining Utah in the Port Hardy area in December last year. Mr. Stevenson told me he would give me his report which covered part of Magnet's ground for the equivalent of one-half day consulting. A copy of his report is attached. He is not bullish on the prospects of either of the Magnet Exploration properties.

TO		REPLY
RETURN TO		COMMENT
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Canada - B. C.

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PAGE 2 .....

I told Mr. Tancouney that I did not think we would be interested in this type of deal. Firstly, because it would be difficult to get control of Magnet Explorations with the amount of outstanding stock. Secondly, I did not know anything about his ground but would check it out.

I recommend that no action be taken in this matter.



DWT/lk

Enc.

WILLIAM G. STEVENSON, P. Eng.

*Consulting Geologist*

509 STOCK EXCHANGE BUILDING  
475 HOWE STREET  
VANCOUVER 1, CANADA

January 16th, 1968

Mr. D.W. Tulley  
Cyprus Exploration Corporation  
822 - 510 West Hastings St.  
Vancouver 1, B.C.

Dear Don:

In accordance with our telephone conversation yesterday you will find enclosed some generalized geological information to do with the north end of Vancouver Island in the vicinity of the property Utah Construction has under exploration. I have also attached a geological sketch map which will provide information that is not readily available from other sources.

In the event you would like to have any additional information or data, or have any specific questions I will be pleased to discuss this with you.

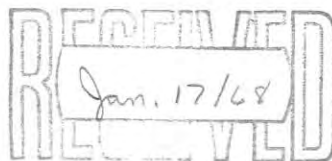
Yours sincerely,

*Bill*

W.G. STEVENSON

WGS: lb

Enclosure



January 16th, 1968

MEMORANDUM for D.W. Tulley

INTRODUCTION

During 1967 I made an examination of copper mineralization that is exposed within a block of claims located on the south side of Rupert Inlet, 210 miles northwesterly from Vancouver and ten miles southerly from Port Hardy.

This Memorandum is based on the data that I collected during my examination, from a review of the available literature and published maps, from discussions with engineers, geologists and prospectors who have worked in this area, and from experience gained while I was accomplishing geological work and conducting examinations on the northern end of Vancouver Island during 1963 and 1964.

LOCATION AND ACCESS

The claims that I examined were centered  $10\frac{1}{2}$  miles south of the village of Port Hardy, on the south side of Rupert Inlet, four miles southeast of Coal Harbor. These claims extend along tide water for a distance  $3\frac{1}{2}$  miles and inland for a distance of  $1\frac{1}{2}$  miles.

Access to Rupert Inlet can be gained by float plane or ocean vessel. A road four miles removed from the property

connects Port Hardy with the east end of Rupert Inlet. Access to the claims at the present time can be accomplished by foot trail from the road or from the coast at Rupert Inlet.

### HISTORY

After 1900, Vancouver Island was subjected to extensive prospecting and exploration. A number of gold, silver, lead, zinc, and copper occurrences have been discovered and many of these have been developed and brought into production. In 1957 the Japanese opened up a market for iron ore and since that time the iron ore deposits of Coast Copper, Yreka and Empire Development at the north end of Vancouver Island commenced production.

During 1963 the Geological Survey of Canada released a set of airborne magnetic maps which covered the northern part of Vancouver Island. These maps sparked renewed interest in the area and a number of companies and individuals acquired mineral claims, and initiated mineral exploration programs, which have continued to date.

One of these companies, Utah Construction Mining Co., launched a major diamond drilling program and since 1965 have concentrated their activity on the north side of Rupert Inlet.

The results of their drilling have remained a closely guarded secret. However under date of November 21st, 1967 officials of Utah Construction released a statement that in their opinion the property may be placed in production, and closer spaced drilling will be required.

During 1967 several hundred mineral claims have been located in the Nanaimo Mining Division at the northern end of Vancouver Island.

#### GEOLOGY

The Coast line of Northern Vancouver Island and the area between Rupert Inlet and southerly for 20 miles has been geologically mapped by members of the B.C. Department of Mines and the Geological Survey of Canada and a preliminary map has been released by the B.C. Department of Mines and Petroleum Resources. The geology over the remainder of northern Vancouver Island is not complete and the published maps do not show the lithology structure and mineralization.

The oldest rocks recognized in the area are a sequence of basaltic volcanics, and interlayered limestone, shale and sandstone. These rocks are part of the Vancouver group which is of the Triassic Age. The Vancouver group is

subdivided into the Karmutsen formation, the oldest member overlain by the Quatsino formation, a crystalline limestone horizon which is in turn overlain by the Bonanza formation, the youngest member.

The rocks of the Karmutsen formation are a variable assemblage of amygdaloidal basalt, dense andesite, pillow lavas with minor amounts of argillite and limestone. The Quatsino formation is a limestone horizon which is exposed over an appreciable part of Vancouver Island.

The Bonanza formation is subdivided into a series of thin-bedded argillites and carbonaceous limestone, which are overlain by volcanic tuffs and agglomerates. This Bonanza formation is probably the host rock for some of the mineralization that has been developed on the north end of the island.

The Vancouver group is overlain by sandstones, conglomerates, shales and coal of Cretaceous Age.

The contact between Volcanic rocks and the Quatsino limestone horizon is exposed on the south side of Rupert Inlet and is shown on the geological map prepared by the B.C. Department of Mines and Petroleum Resources. The limestone is exposed over the western part of Rupert Inlet in contact with Karmutsen, the Volcanic series. This is in turn in contact with

the Bonanza formation which extends northwest and southeast from the east end of Rupert Inlet.

The attitude of the volcanic rocks on the claims I examined had northwest-southeast strike, and were steeply dipping toward the west. I saw wide gouge and shear zones and intense deformation which indicated that this formation has been strongly faulted and folded.

I did not recognize any intrusive rock on the claim block. However, the volcanic formations have been intruded by monzonite and diorite stocks which are offshoots from the coast range batholith and which range in age from Jurassic to Tertiary. The geological maps show an intrusive body at the east end of Rupert Inlet which is probably Jurassic age.

A lineation that trends northeast-southwest extends through Rupert inlet. This lineation can be traced through the property held by Utah Construction and through the property held by Magnet Explorations and<sup>to</sup> the coast near Port Hardy. I have attached a geological sketch which will show this lineation and the distribution of rock on the surface based on the best information available at the present time.

#### MINERALIZATION

Within the property that I examined I saw two mineral-

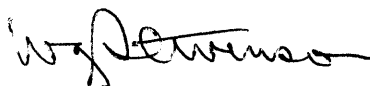


ized zones. These were separated by 1500 feet and occurred 200 feet to 400 feet from the coast line.

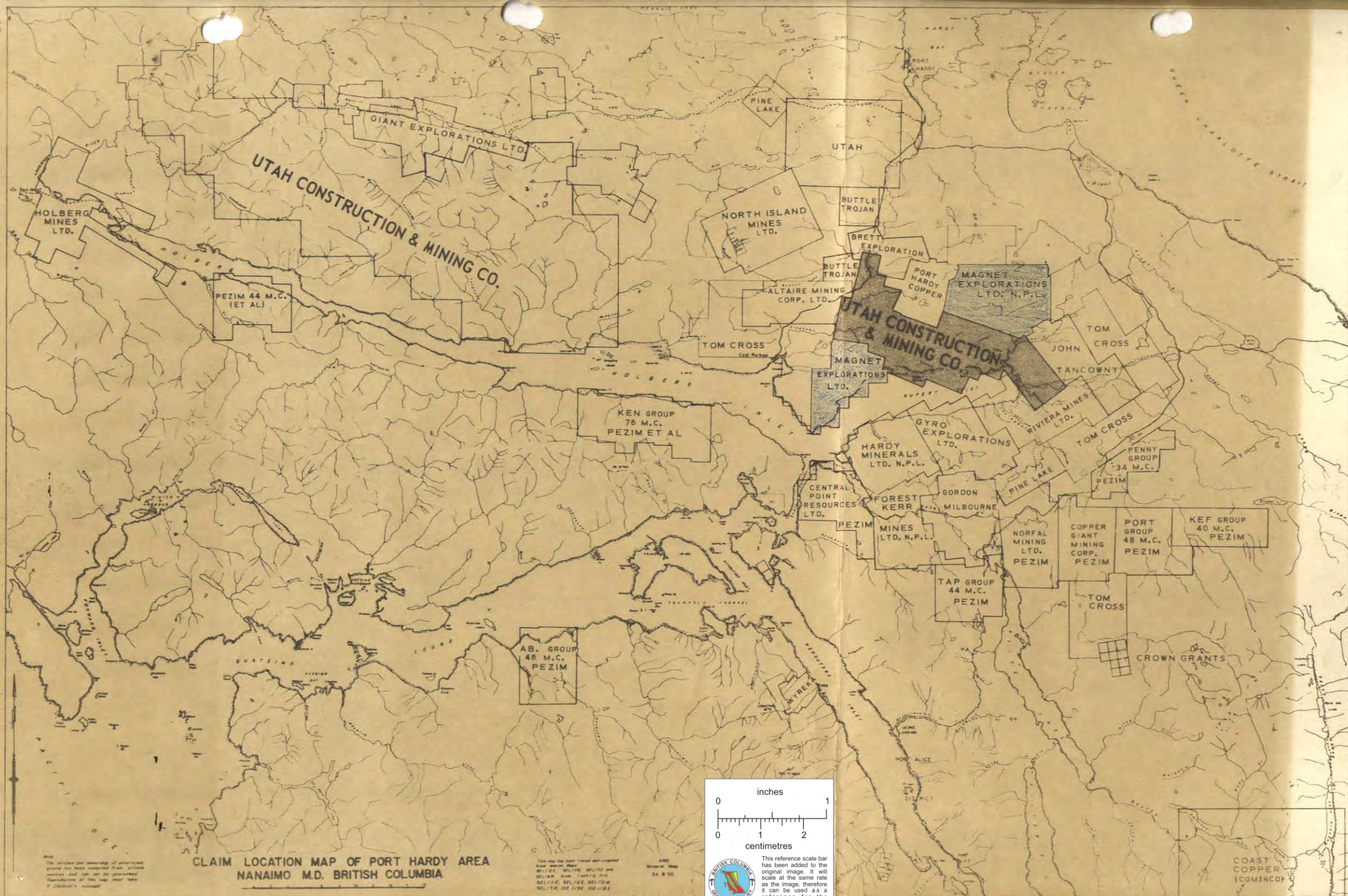
Mineralization in the western zone has been tested in the past by two shafts and an underground tunnel. The shafts are filled with water and are inaccessible, and the walls of the tunnel are masked with mud and dirt. The mineralization that I saw in the tunnel is associated with a series of white calcite veins, which appear to be conformable with the volcanic layering. They contain bornite and possibly some tetrahedrite.

The mineralization in the eastern zone is a recent discovery with no pitting or trenching and with very little outcrop. Mineralization appears to be confined to a steeply dipping volcanic strata which I traced over a strike length of 15 feet and over a width of 2 feet.

I have attached a geological sketch map to show the mineralization exposed in each of these area, their relative position, and the assay results of the samples that I collected.



W.G. STEVENSON  
Consulting Geologist

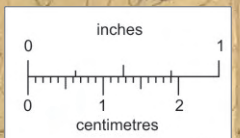


**CLAIM LOCATION MAP OF PORT HARDY AREA  
NANAIMO M.D. BRITISH COLUMBIA**

The accuracy and ownership of information shown on this map is not guaranteed by the Government of British Columbia. Users of this map should refer to the original source of the information.

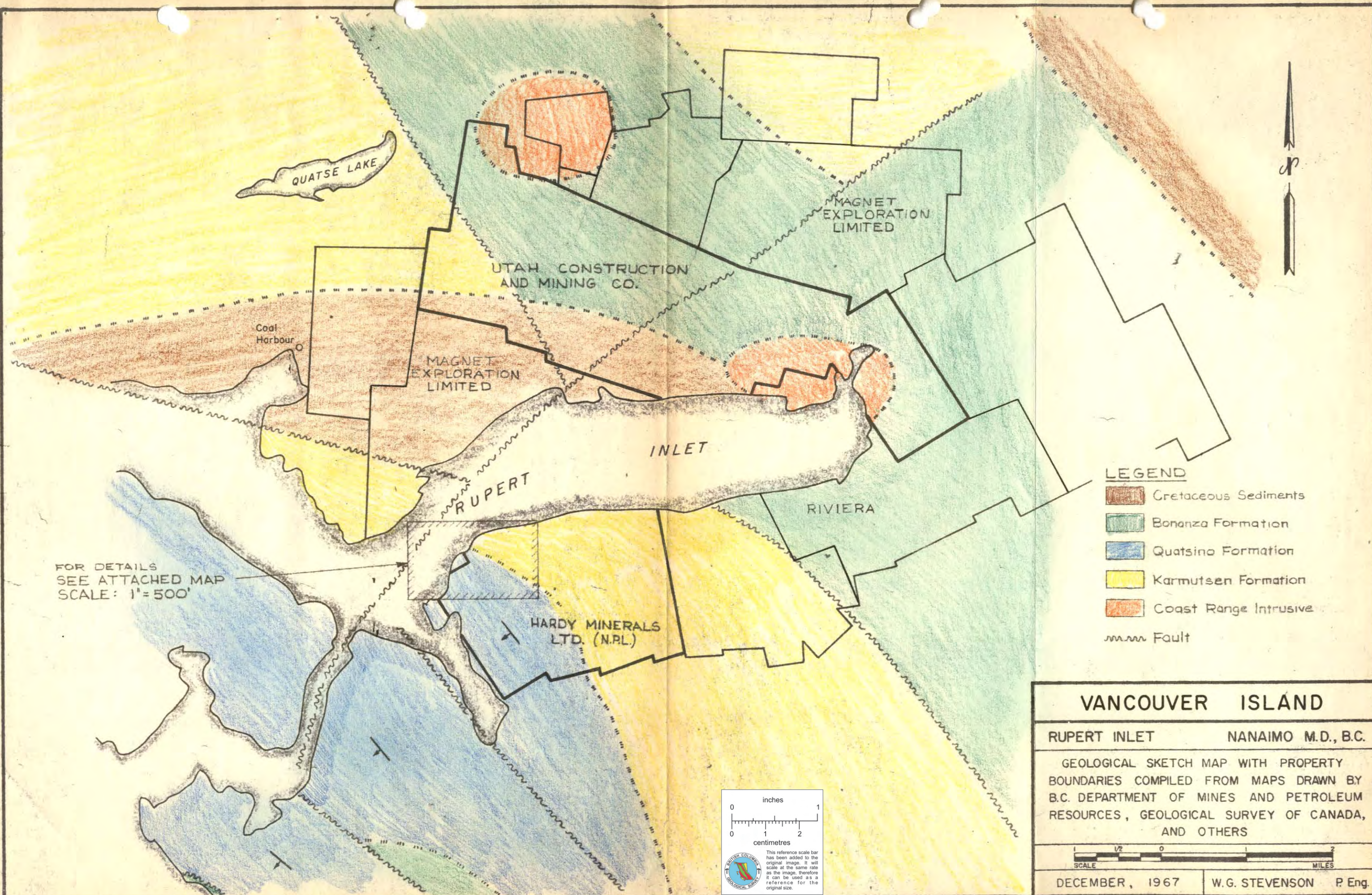
This map has been prepared and compiled from various sources. It is not intended to be used as a legal document. The Government of British Columbia is not responsible for any errors or omissions on this map.

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NAD 83



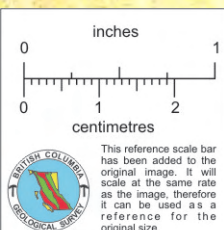
This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.

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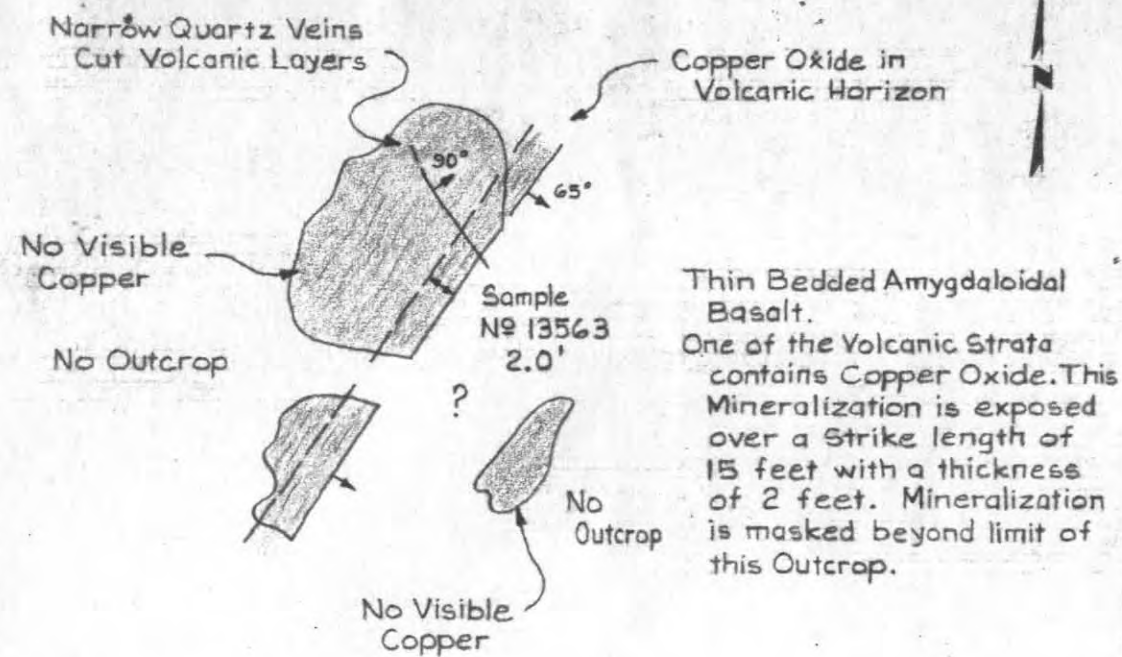


FOR DETAILS  
SEE ATTACHED MAP  
SCALE: 1" = 500'

- LEGEND**
- Cretaceous Sediments
  - Bonanza Formation
  - Quatsino Formation
  - Karmutsen Formation
  - Coast Range Intrusive
  - Fault

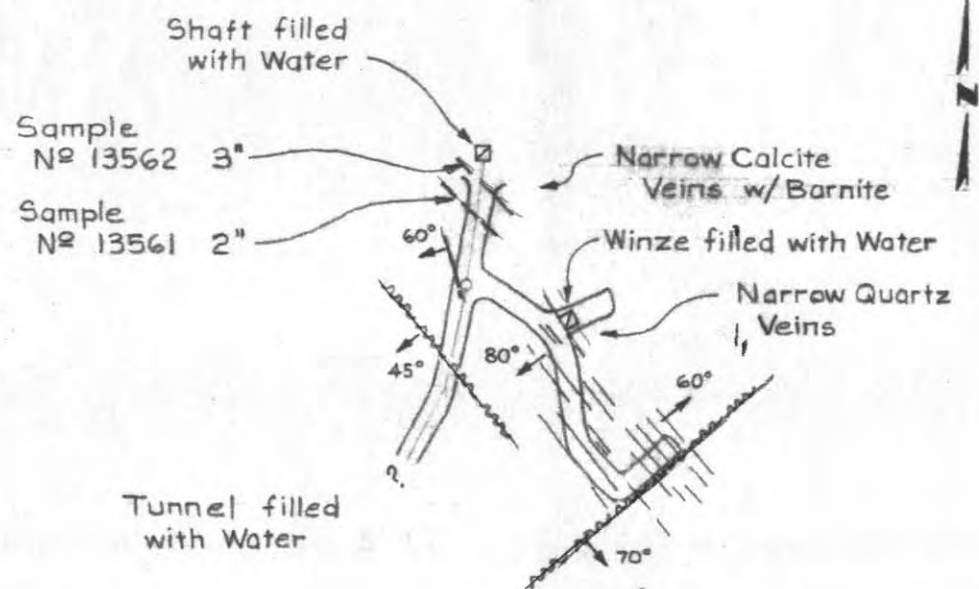


<b>VANCOUVER ISLAND</b>	
RUPERT INLET	NANAIMO M.D., B.C.
GEOLOGICAL SKETCH MAP WITH PROPERTY BOUNDARIES COMPILED FROM MAPS DRAWN BY B.C. DEPARTMENT OF MINES AND PETROLEUM RESOURCES, GEOLOGICAL SURVEY OF CANADA, AND OTHERS	
DECEMBER, 1967	W.G. STEVENSON P. Eng.



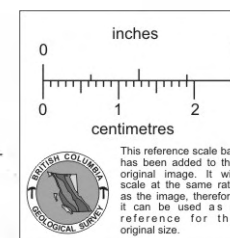
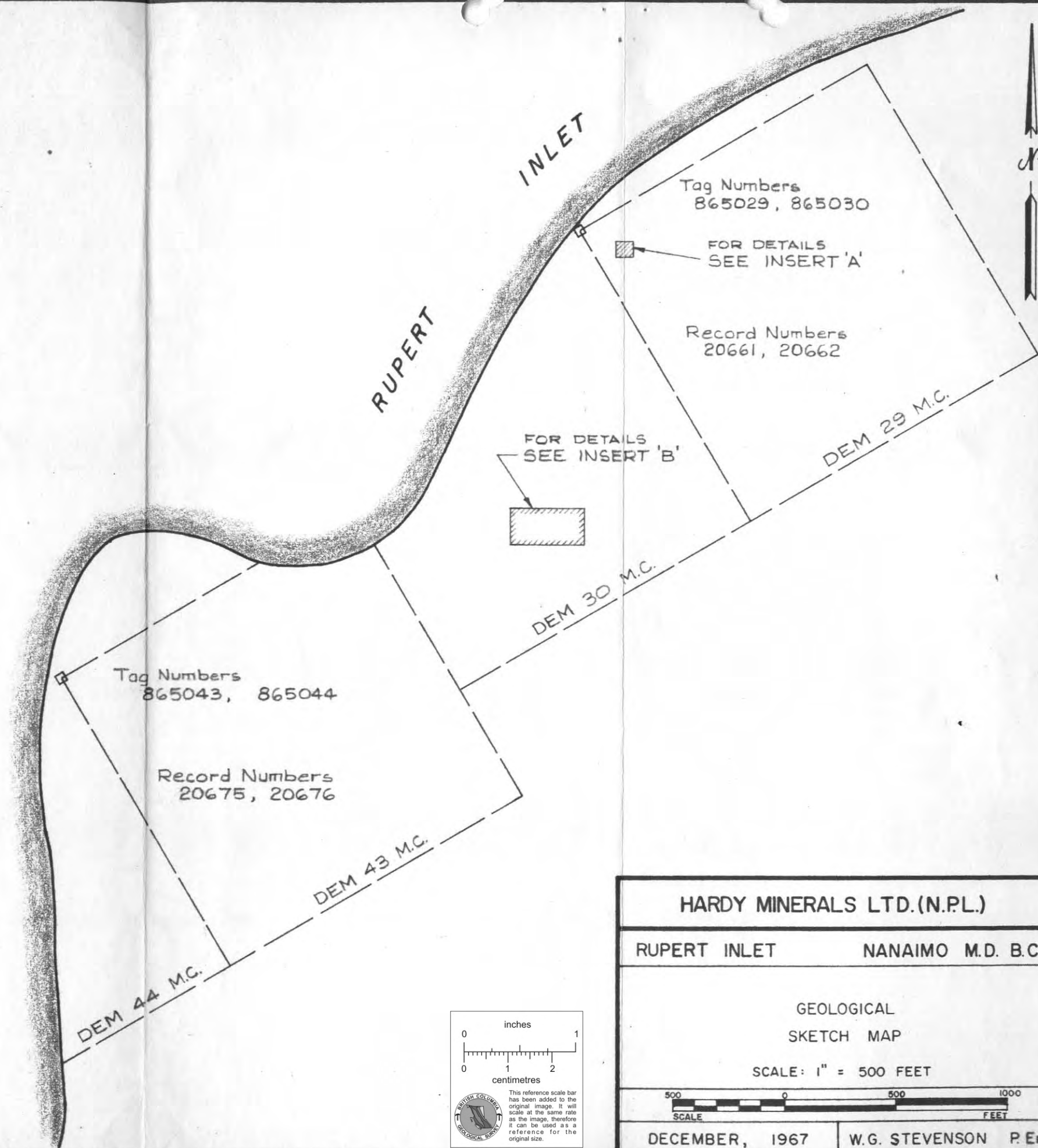
Sample No	Gold	Silver	Copper
13563	0.03 oz.	0.09 oz.	1.25%

**INSERT 'A'**  
Scale: 1" = 10'



Sample No	Gold	Silver	Copper
13561	0.02 oz.	0.76 oz.	7.98%
13562	0.01 oz.	0.15 oz.	3.55%

**INSERT 'B'**  
Scale: 1" = 50'



<b>HARDY MINERALS LTD.(N.P.L.)</b>	
RUPERT INLET	NANAIMO M.D. B.C.
GEOLOGICAL SKETCH MAP	
SCALE: 1" = 500 FEET	
DECEMBER, 1967	W.G. STEVENSON P. Eng.