REPORT ON FIELD ACTIVITIES

810747

TO: R.B. Stokes, P.Eng., Senior Engineer.

FROM: D.G. Leighton.

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SUBJECT: Cal Drilling Program.

Between June 18-June 26, 1966 the second drill hole (DDH#2) located at Station 8S, -45°W on the Cal mineral property was completed to a depth of 509 ft. Excellent core recovery can be reported from most of the hole length. (Bit NXWL 0-269 ft., bit BXWL 269-509 ft.)

GEOLOGY

The characteristic rock type of the area is a grey-green medium grained quartz diorite. Most of the non metallic (mafic) dark mineralization was originally biotite mica. Magnetite is an important accessory in these rocks amounting to as much as 10% of the total composition in places.

Alteration & variation:

(a) Apparently some copper sulphides of med. temp hydro thermal origin have in places to a greater or lesser extent replaced matic mineralization. This metasomatic process appears to be closely associated with a beige colored potassium feldspar facies of the diorite. In DDH #2 it was only in this environment that any copper mineralization could be found.

(b) The characteristic alteration products seen in DDH #2 were the kaolinization of feldspars and the disintegration of mafics to chlorites and sericite micas. Also observed commonly was hematite after magnetite (presumably).

The Induced Polarization survey discovered an anomalous region which was calculated to lie approximately at a depth of between 300 and 400 feet along DDH #2. Core examination from this region revealed an area of maximum faulting and consequent lateral alteration (i.e. softening of feldspars, reduction of mafics and alt. of magnetites into hematites). No significant copper sulphide mineralization existed. It seems likely that it was the hematite that had been altered to various phases of polar susceptability in regions in and marginal to faulting that was responsible for the misleading metal factors derived from the survey.

July 5, 1966.

July 4, 1966.

Cyprus Mines Corporation, 523 West 6th Avenue, Los Angles, California, U.S.A.

Attention: J.G. Hansen, Vice-president i/c Exploration.

Gentlemen:

Progress Summary - Cal Group Highland Valley, B.C. to June 30, 1966

SUMMARY

Diamond Drill Hole #2 was stopped at 502 ft. No economic mineralization was encountered in the hole. The program has been terminated.

DRILLING

During the period June 16 – 26th, the No. 2 hole was started and completed with a competent crew and more experience with the ground. Less faulting was encountered.

GEOLOGY

Overburden was encountered to 13 ft. on the 45° hole followed by uniform grey-green diorite to 300 ft. A zone of hydrothermal alteration containing K felspars, kaolinization and haematite on shears almost certainly is the cause of the 100 ft. wide zone indicated by the IP survey. Minor chalcopyrite values were seen in the low part of the hole. The full data on the holes is being compiled.

COSTS

A summation of costs will be completed when the contractors drill costs have been submitted and checked. Costs per foot should be lower than the \$10.95 on the first hole.

Respectfully submitted,

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R.B. Stokes, P.Eng., Senior Engineer.

RBS/jm c.c. W.K. Brown Don Tully