MINNOVA

MEMORANDUM

DATE:

18 February 1988

Å TO:

A.J. Davidson

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DE FROM: SUJET

G.S. Wells

SUJET SUBJECT:

BHP - Utah Mines Ltd. Cypress Property NTS 92F/4,5

Introduction

BHP - Utah Mines is seeking a joint venture partner for their Cypress property, located 15km north of Tofino on Vancouver Island. The property consists of 11 claims (151 units) which are all in good standing until 1989 or later. It is accessible by barge from Tofino. Access throughout the property is poor due to the lack of logging roads and the steep topography.

We initially reviewed their data on January 8th and have since received copies of a geology assessment report, lithogeochemical sample location maps and analyses, schematic sections of 3 of the 5 drill holes and drill core analyses.

Geology

The area is underlain by Sicker volcanic rocks consisting of mafic to felsic pyroclastics. Three "centers" of felsic volcanism have been recognized. Mineralization in the area is sparse. A few thin quartz-chalcopyrite veins have been noted near gabbroic intrusions. However, their best showing is a 1.0 meter wide zone of thin pyritic lamellae (<1 cm) hosted in a chloritic intermediate tuff. The best assay from the surface showing returned values of 1.4% Zn, 512ppm Cu, 2851ppm Pb and 3.9ppm Ag. Utah tested this mineralization over a strike length of 200 meters with 5 diamond drill holes totalling 800 meters. Although they hit the mineralization in each hole, the grade and thickness did not improve at depth.

BHP - Utah Mines Ltd. Cypress Property

Lithogeochemistry and Geophysics

A total of 450 samples were collected and analyzed for 30 major and trace elements. Only 25 of these have Na₂O values less than 1% and even less have anomalous Cu and Zn values. This indicates that there are no extensive zones of hydrothermal alteration exposed on the property. IP and GENIE E.M. surveys were conducted over selected areas. The best GENIE response is correlated with an argillite. No geophysical anomalies are associated with the zinc showing which has been tested with 5 diamond drill holes.

Conclusions and Recommendations

Although Utah's presentation of their Cypress property was very poor, it appears that there is little potential for a volcanogenic massive sulphide deposit. In addition, the relatively remote and inaccessible character of the claim group does not fit in with Minnova's exploration philosophy. No further action is warranted on this property.

Yary, GSW/kgf