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JANICE JOINT VENTURE

PROGRESS REPORT 1978

for

Cyprus Anvil Mining Corporation

and

Kerr Addison Mines Ltd.

by:

J. G. Simpson, Ph.D., P.Eng.

October 1978

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JANICE JOINT VENTURE

PROGRESS REPORT 1978

Summary

As a result of geological mapping, TURAM electromagnetic surveys and terrain-corrected gravity surveys, two drill targets were selected to test TURAM and gravity coincidence covering a prominent graphitic conductor horizon (unit 3E) within unit 3G chloritic phyllite. No gravity anomalies were associated with the graphitic phyllite equivalent to the Vangorda-Grum horizon (unit 5A), although this horizon remains to be tested as a purely stratigraphic target.

Of the two holes drilled, one cut the graphitic conductor. No convincing explanation for the gravity target was forthcoming, although some differences in lithology could partially account for the uncorrected residual anomaly.

Drilling

Two holes were drilled to simultaneously evaluate the corrected and uncorrected residual anomalies on lines 32E to 40E on the North Janice grid.

Location	Length	Inclination and Direction	Target
L32E, 21+00S	600'	-60°N	Coincident, corrected and uncorrected residual gravity anomalies associated with unit 3E.
L32E, 14+80S	600'	-70°N	Coincident, uncorrected residual gravity and TURAM anomalies associated with unit 3E.

Detailed logs of both holes are included as Appendix I. Hole 78-J-01 cut 14.4m of overburden and thereafter alterations of non-calcareous muscovite-chlorite phyllite (unit 3G) and non-calcareous, laminarly banded, muscovite-chlorite phyllite or metatuff (unit 3B) to a depth of 162.8m. Only very minor amounts of carbonaceous material were present and this hole was not designed to cut the 3E graphitic conductor. Very minor amounts of pyrrhotite in thin, 1 cm bands were noted toward the end of the hole in unit 3B, but were not considered to be significant.

The second hole was designed to cut the graphitic conductor and test the uncorrected residual gravity anomaly. After 18.8m of overburden, alterations of calcareous phyllite and non-calcareous phyllite were intersected to 67.5m, with a marked graphitic phyllite horizon (3E) from 70.5 to 79.6m obviously representing the conductor zone. From 79.6 to 85.7m, phyllitic limestone and silicated marbles not seen in 78-J-01 were a prominent feature. The presence of relatively dense rocks in the overall top 85m of section might explain the uncorrected residual gravity anomaly. However, measured specific gravity on individual core samples of the marbles and phyllitic rock types was not significantly different.

Conclusions

The graphitic conductor (3E) trending northeasterly across the North Janice grid is not, at this location, associated with sulphide mineralization. The corrected gravity anomaly was not

explained and most probably is induced by correction factors based on insufficient topographic and bedrock relief data. The relative amounts of overburden in the two holes is not significantly different and would not be the cause of gravity differences between the two drill sites. The presence of up to 6m of silicated marble and a generally more calcareous sequence in 78-J-02 might result in a slight gravity difference between the two sections, although this is not convincing.

Proposals for Future Work

From data gathered in old BETA drilling (Dynasty, 1966) and the recent holes on the 3E conductor zone, it would not appear to be associated with any significant sulphide mineralization, and no further work is recommended on this conductor.

The basinal sequence of calcareous phyllite (5B), graphitic phyllite (5A), chloritic phyllite (3G) covering the South Janice grid remains as a stratigraphic target for further testing. Spectral I.P. tests carried out in the Anvil district show good potential as a means of differentiating graphitic and sulphide conductors. If and when this equipment is available as a portable field unit, consideration should be given to applying this technique to the South Janice grid. The Janice claims are in good standing to at least 1982 and no work is proposed for 1979. Drilling to the southeast on Cyprus Anvil ground proposed for 1979 may help to better evaluate the 5B-5A contact and its extension into the South Janice area.

Claim Status

Up-to-date claim status sheets are included as APPENDIX II.

Cost Summary

A summary of 1978 expenditures, totalling approximately $45,000 for a total expenditure to date of $130,000, is given in Appendix III.

Respectfully submitted,

J. G. Simpson, Ph.D., P.Eng.

October, 1978

APPENDIX I

DIAMOND DRILL CORE LOGS

CYPRUS ANVIL MINING CORPORATION

DIAMOND DRILL CORE LOG

Hole Number: 78-J-01

Fabric Orientation Diagram:

Project: Janice Joint Venture

Location: Swim Lake

Claim: Janice 81

Terr. Plane Co-ords.: _____ N

_____ E

Grid Co-ords.: 32E; 21+00S

Inclination: -60°N/92m-62°/184m-57°/

All symmetry determinations looking *

SW with S2 dipping

Elevation: _____

SE with dip azimuth 158.

Total Depth: 249.3 m

Purpose: Testing gravity and EM anomaly.

Logged by: D. S. Jennings
D. J. Hanson

Date(s) Logged: _____

Drilling Contractor: Arctic Diamond Drilling

Core:	Size	From	To
	BQ	0	249.3 m

Collar Cased and Capped: No

Started: May 15/78 **Completed:** May 25/78

* Angle hole - no surface outcrop for orientation of fabric data.

SUMMARY LOG

DDH 78-J-01

Metres		
0.0 - 14.4		Overburden.
14.4 - 20.7	3G	Non-calcareous, muscovite-chlorite ± biotite phyllite/schist, undifferentiated.
20.7 - 20.9	3B	Non-calcareous, laminarly banded, chloritic phyllite or metatuffs, light green.
20.9 - 57.2	3G	Non-calcareous, muscovite-chlorite ± biotite phyllite, undifferentiated; thin dark gray to black carbonaceous to graphitic laminae paralleling S_2 imparting slightly striped appearance.
57.2 - 57.4	3B	Non-calcareous phyllite and banded tuffs.
57.4 - 63.9	3G	Non-calcareous, slightly graphitic phyllite.
63.9 - 64.8	3B	Non-calcareous phyllite and banded tuffs.
64.8 - 119.3	3G	Non-calcareous, slightly graphitic phyllite.
119.3 - 119.5	3B	Non-calcareous phyllite and banded tuffs.
119.5 - 120.5	3G	Non-calcareous phyllite.
120.5 - 120.8	3B	Non-calcareous phyllite and tuffs.
120.8 - 122.6	3G	Non-calcareous phyllite.
122.6 - 123.6	3B	Non-calcareous phyllite and tuffs.
123.6 - 127.6	3G	Non-calcareous phyllite.
127.6 - 127.7	3B	Non-calcareous phyllite and tuffs.
127.7 - 129.7	3G	Non-calcareous phyllite.
129.7 - 129.8	3B	Non-calcareous phyllite and tuffs.
129.8 - 132.6	3G	Non-calcareous phyllite.
132.6 - 132.8	3B	Non-calcareous phyllite and tuffs.
132.8 - 162.5	3G	Non-calcareous phyllite.
162.5 - 162.8	3B	Non-calcareous phyllite and banded tuffaceous phyllite, 1 cm band 20-25% pyrrhotite.

Metres		
162.8 - 168.4	3G	Non-calcareous phyllite.
168.4 - 170.4	3E	Graphitic phyllite with gouge and breccia, upper contact at 90° to core axis, lower contact indeterminate.
170.4 - 171.0	3E	Graphitic phyllite.
171.0 - 173.6	3F	Silicated marble.
173.6 - 195.6	3E	Graphitic phyllite with bull quartz "sweat" veins parallel to S_2 foliation 10% by volume, with minor base metal sulphides.
195.6 - 195.7	3B	Non-calcareous phyllite and tuffaceous phyllite.
195.7 - 196.6	3E	Graphitic phyllite.
196.6 - 196.7	3B	Non-calcareous phyllite and tuffaceous phyllite.
196.7 - 215.8	3E	Graphitic phyllite, gradational contact of lower graphitic content over last 5 m; 207.6 - 208.2 m broken core and gouge, no contact determination possible.
215.8 - 221.7	3G	Non-calcareous chloritic phyllite.
221.7 - 223.3	3E	Graphitic phyllite.
223.3 - 249.3	3G	Non-calcareous chloritic phyllite.

END OF HOLE

CYPRUS ANVIL MINING CORPORATION

DIAMOND DRILL CORE LOG

Hole Number: 78-J-02

Fabric Orientation Diagram:

Project: Janice Joint Venture

Location: Swim Lake

Claim: Janice 106

Terr. Plane Co-ords.: _____ N

_____ E

Grid Co-ords.: B.L. 32E; 15+00S

Inclination: -70°, 00N

All symmetry determinations looking *

SW with S2 dipping

Elevation: _____

SE with dip azimuth 158.

Total Depth: 127.4 m

Purpose: To test terrain-corrected gravity anomaly.

Logged by: D. S. Jennings
D. J. Hansen

Date(s) Logged: June 8, 1978

Drilling Contractor: Arctic Diamond Drilling

Core:

Size	From	To
BQ	0	127.4 m

Collar Cased and Capped: No

Started: May 26/78 Completed: May 31/78

* Angle hole - no surface outcrop for orientation of fabric data.

SUMMARY LOG

DDH 78-J-02

Metres		
0.0 - 18.9		Overburden.
18.9 - 22.4	3B3	Calcareous chloritic phyllite.
22.4 - 27.9	3GO	Non-calcareous, muscovite-chlorite ± biotite phyllite.
27.9 - 35.5	3B3	Calcareous, chloritic phyllite.
35.5 - 40.0	3GO	Non-calcareous phyllite.
40.0 - 53.0	3B3	Calcareous chloritic phyllite with 20% non-calcareous interbands.
53.0 - 55.1	3GO	Non-calcareous phyllite.
55.1 - 67.5	3B3	Calcareous, chloritic phyllite with 20% non-calcareous interbands.
67.5 - 70.5	3GO	Non-calcareous phyllite with 10% calcareous interbands.
70.5 - 79.6	3EO	Graphitic phyllite, weakly cataclastic, quartz augen, minor CO_3 bands over top third of interval.
79.6 - 81.9	3G/F	50/50 interbanded carbonaceous phyllitic marble; non-calcareous carbonaceous phyllite.
81.9 - 85.7	3FO	Marble and silicated marble, weakly carbonaceous, small S_2 boudins.
85.7 - 88.4	3GO	Non-calcareous phyllite with 10% calcareous interbands.
88.4 - 127.4	3EO	Graphitic phyllite; 10% bull quartz "sweat" veins; 20% non-calcareous phyllite over last 8 m.

END OF HOLE

APPENDIX II

CLAIM STATUS SHEETS

COMPANY CYPRUS ANVIL ..... CLAIM JANICE ..... PROPERTY OWNERSHIP Cyprus Anvil 50%
Kerr Add. 50%
M.D. Whitehorse ..... N.T.S. 105-K-2 & 7 .....

Claim No.	Grant No.	No. of Claims	Staked by	Recording Date	Transfer Information To	Transfer Information Date	Due Date	Assessment Work and Remarks
1-8	YA4357-YA4364	8	L. J. Brussee	April 30, 1976	Cyprus Anvil	Sept. 13, 1976	April 30, 1982	Assess. Work Filed Date: April 15, 1977 Amt. $3,300 Type: Linecutting * * * * * * * *
9-16	YA4365-YA4372	8	B. M. Crawford	April 30, 1976	"	"	April 30, 1984	
17-22	YA4373-YA4378	6	Marcella Brown	April 30, 1976	"	"	April 30, 1982	
23	YA4379	1	Marcella Brown	April 30, 1976	"	"	April 30, 1983	
24	YA4380	1	Marcella Brown	April 30, 1976	"	"	April 30, 1982	
25-26	YA4381-YA4382	2	R. Brown	April 30, 1976	"	"	April 30, 1983	Assess. Work Filed Date: May 5, 1977 Amt. (1) $36,600 (2) $16,300 Type: Gravity Turam * * * * * * * *
27	YA4383	1	R. Brown	April 30, 1976	"	"	April 30, 1983	
28-32	YA4384-YA4388	5	R. Brown	April 30, 1976	"	"	April 30, 1984	
33-34	YA4389-YA4390	2	R. Uglanica	April 30, 1976	"	"	April 30, 1982	
35-36	YA4391-YA4392	2	R. Uglanica	April 30, 1976	"	"	April 30, 1982	
37-38	YA4393-YA4394	2	R. Uglanica	April 30, 1976	"	"	April 30, 1982	Assess. Work Filed Date: May 24, 1978 Amt. $300.00 Type: DDH 78-X-14 & 14A (claim 138) * * * * * * * *
39-40	YA4395-YA4396	2	R. Uglanica	April 30, 1976	"	"	April 30, 1983	
41-44	YA4397-YA4400	4	Leon C. Lipetz	April 30, 1976	"	"	April 30, 1983	
45-48	YA4401-YA4404	4	Leon C. Lipetz	April 30, 1976	"	"	April 30, 1984	
49-52	YA4405-YA4408	4	D. Gregoire	April 30, 1976	"	"	April 30, 1984	
53-55	YA4409-YA4411	3	D. Gregoire	April 30, 1976	"	"	April 30, 1982	Assess. Work Filed Date: June 12, 1978 Amt. $18,400 Type: DDH 78-J-01 * * * * * * * *
56	YA4412	1	D. Gregoire	April 30, 1976	"	"	April 30, 1982	
57	YA4413	1	Donna Gregoire	April 30, 1976	"	"	April 30, 1983	
58	YA4414	1	Donna Gregoire	April 30, 1976	"	"	April 30, 1983	
59	YA4415	1	Donna Gregoire	April 30, 1976	"	"	April 30, 1983	
60-64	YA4416-YA4420	5	Donna Gregoire	April 30, 1976	"	"	April 30, 1983	Assess. Work Filed Date: July 11, 1978 Amt. $12,300 Type: DDH 78-J-02 * * * * * * * *
65-70	YA4421-YA4426	6	Kenneth H. Nash	April 30, 1976	"	"	April 30, 1984	
71-72	YA4427-YA4428	2	Kenneth H. Nash	April 30, 1976	"	"	April 30, 1983	
73-74	YA4429-YA4430	2	John Devitt	April 30, 1976	"	"	April 30, 1983	

COMPANY CYPRUS ANVIL ..... CLAIM JANICE ..... PROPERTY OWNERSHIP Cyprus Anvil 50% Kerr Addi. 50% M.D. Whitehorse ..... N.T.S. 105-K-2 & 7

Claim No.	Grant No.	No. of Claims	Staked by	Recording Date	Transfer Information To	Transfer Information Date	Due Date	Assessment Work and Remarks
75-79	YA4431-YA4435	5	John Devitt	April 30, 1976	Cyprus Anvil	Sept. 13, 1976	April 30, 1983	
80	YA4436	1	John Devitt	April 30, 1976	"	"	April 30, 1984	
81-82	YA4437-YA4438	2	Nancy R. Devitt	April 30, 1976	"	"	April 30, 1984	
83-88	YA4439-YA4444	6	Nancy R. Devitt	April 30, 1976	"	"	April 30, 1984	
89-93	YA4445-YA4449	5	Dina Hanson	April 30, 1976	"	"	April 30, 1984	
94-96	YA4450-YA4452	3	Dina Hanson	April 30, 1976	"	"	April 30, 1984	
97-98	YA4453-YA4454	2	A. Carlos	April 30, 1976	"	"	April 30, 1984	
99-100	YA4455-YA4456	2	A. Carlos	April 30, 1976	"	"	April 30, 1983	
101	YA4457	1	A. Carlos	April 30, 1976	"	"	April 30, 1983	
102	YA4458	1	A. Carlos	April 30, 1976	"	"	April 30, 1983	
103-104	YA4459-YA4460	2	A. Carlos	April 30, 1976	"	"	April 30, 1983	
105	YA4461	1	Hector Vallee	April 30, 1976	"	"	April 30, 1984	
106	YA4462	1	Hector Vallee	April 30, 1976	"	"	April 30, 1983	
107-108	YA4463-YA4464	2	Hector Vallee	April 30, 1976	"	"	April 30, 1984	
109-110	YA4465-YA4466	2	Hector Vallee	April 30, 1976	"	"	April 30, 1984	
111-112	YA4467-YA4468	2	Hector Vallee	April 30, 1976	"	"	April 30, 1984	
113-118	YA4469-YA4474	6	Raymond Morin	April 30, 1976	"	"	April 30, 1984	
119-120	YA4475-YA4476	2	Raymond Morin	April 30, 1976	"	"	April 30, 1983	
121-122	YA4477-YA4478	2	Don Lindgren	April 30, 1976	"	"	April 30, 1983	
123-124	YA4479-YA4480	2	Don Lindgren	April 30, 1976	"	"	April 30, 1983	
125	YA4481	1	Don Lindgren	April 30, 1976	"	"	April 30, 1982	
126-128	YA4482-YA4484	3	Don Lindgren	April 30, 1976	"	"	April 30, 1982	
129-135	YA4485-YA4491	7	John McLeod	April 30, 1976	"	"	April 30, 1982	

COMPANY CYPRUS ANVIL ..... CLAIM JANICE ..... PROPERTY OWNERSHIP Cyprus Anvil 50% Kerr Add. 50% M.D. Whitehorse ..... N.T.S. 105-K-2 & 7

Claim No.	Grant No.	No. of Claims	Staked by	Recording Date	Transfer Information To	Transfer Information Date	Due Date	Assessment Work and Remarks
136	YA4492	1	John McLeod	April 30, 1976	Cyprus Anvil	Sept. 13, 1976	April 30, 1984	
137	YA4493	1	B. Locke	April 30, 1976	"	"	April 30, 1984	
138	YA8161	1	A. Jennings	Sept. 10, 1976	"	June 6, 1977	Sept. 10, 1984	
139-140	YA8162-YA8163	2	A. Jennings	Sept. 10, 1976	"	"	Sept. 10, 1981	
141-142	YA8164-YA8165	2	A. Jennings	Sept. 10, 1976	"	"	Sept. 10, 1982	

APPENDIX III

COST SUMMARY

Cyprus Anvil Mining Corporation

JANICE PROJECT COSTS

FOR THE PERIOD 1 JANUARY, 1978 TO 31 OCTOBER, 1978

Salaries and Wages	$ 2,900.00
Surveys - Other	188.00
Drilling	30,445.00
Field Equipment and Supplies	260.00
Camp Maintenance	594.00
Fuel	650.00
Rotary Wing	6,678.00
Miscellaneous Transportation	736.00
Property Maintenance	1,595.00
	$44,046.00
Administration - 10%	4,404.00
	$48,450.00

DISTRIBUTION:

Kerr Addison Mines Ltd.	(50%)	$24,225.00
Cyprus Anvil Mining Corporation	(50%)	$24,225.00

CYPRUS ANVIL MINING CORPORATION

GEOLOGICAL MAP

SCALE: 1in. = 1321'

OCT. 1978

APPENDIX IV