

CYPRUS ANVIL MINING CORPORATION

GEOLOGICAL REPORT FOR LAPSING CLAIMS: PAS, GULL, PREVO

SUMMARY

The attached report summarizes exploration on the GULL, PAS, and PREVO claims, part of the Selwyn Joint Venture (55% CAMC, 25% Shield Resources, 10% Numac Oil and Gas, all participating - 10% Cima Resources carried by CAMC). The properties are located in east central Yukon.

The target in all three claim groups are extensions of large (but low grade and metallurgically difficult) shale hosted Pb-Zn-Ag deposits outlined by Canex Placer and U.S. Steel on the adjoining Howard's Pass properties.

Two of the three groups - PAS and GULL - have indications of mineralization marginal to the Placer deposits. A minimum of 10 GULL claims and 34 PAS claims should be retained. The remaining 12 PAS claims, 21 GULL claims, and 6 PREVO claims can be allowed to lapse without compromising potential for direct extension of Placer's deposits.

Placer plays a role in the district analogous to CAMC in the Anvil District. Their long term involvement is probably inevitable if development and production is ever achieved. Because of this factor, the possibility of cooperative meeting of the short term assessment problem should be explored.

Economic development of the Howard's Pass District and the MacMillan Pass District could be made dependent on development of a smelting facility in the Anvil area. Similarly, the development of a smelter is dependent upon ore feeds from these large deposits. There is scope for a joint venture linking the development of these properties to the feasibility of an integrated metal production facility and its required infrastructure.

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INTRODUCTION

Gunn, PAS, and PREVO claims are located in ^{east central} ~~southern~~ Yukon near the NW T. border (N.T.S. 105 I/6, 11, 12). Geologically they ~~are~~ are on the southeast margin of Selwyn Basin - a major Pb-Zn province. These claims were staked in 1972 as a result of significant lead-zinc discoveries by Conex Placer in the immediate area. They form part of a joint venture agreement with Shield Resources and Dumas Oil and Gas (Selwyn Project).

Conex Placer has discovered three major Pb-Zn massive sulphide deposits in this area. Collectively these deposits are termed the Howard's Pass deposits. Estimated reserves are ~~approximately 400-425 million tonnes of 6-8% (Pb+Zn)~~ ^{of this type of deposit} 400-425 million tonnes of 6-8% (Pb+Zn).

The Howard's Pass deposits are shale-hosted, stratiform massive sulphide lenses consisting dominantly of ^{very} fine-grained galena and sphalerite. Mineralization is restricted to a single massive mudstone horizon within graphitic, calcareous, carbonaceous shales and siltstones of the Ordovician Road River group. This type of deposit comprises the target on all three claim blocks.

Figure 1 shows the relative positions of Gunn, PAS, and PREVO claims with respect to claims held by Conex Placer. Approximate locations of the massive sulphide deposits are also indicated. All three claim groups are adjacent to Placer claims. The feather edge of the 2g deposit outcrops on the PAS claims. Gunn and PREVO claims cover similar situations along strike in the vicinity of the Anwin and OP deposits, respectively.

Because the claim groups were staked before 1980, any assessment work on them is required to be physical work. Considering that all three claim groups have already had geophysical surveys, the most likely acceptable assessment work would be trenching or diamond drilling. In the short term it is least expensive and most convenient to make payments in lieu of assessment for those claims that are to be retained.

As a viable alternative ~~to the claims~~ ~~to be considered~~ Conner
 Place should be approached about assuming control of these properties. Long
 term value to these claims is dependent upon possible ^{development} ~~production~~ and
~~investment~~ ^{revisions} plans by Conner Place. They are also in a much stronger position
~~positioning~~ to apply assessment work ~~for~~ towards these claims. The
 possibility of an arrangement whereby we retain a part interest in the claims
 should be investigated.

~~The~~ & brief geologic summary for each of the claim groups is presented
 below. This summary is based on field work completed during 1973 and 1974.

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PREVO CLAIMS

History and Results:

Claims PREVO 1-42 were staked in Fall 1972. During 1973 the area was covered with a reconnaissance geochemical survey (soils, silts, rock for Cu, Pb, Zn). Small grids were established over two areas with ~~anomalous~~ anomalies. Soils were systematically collected on these grids and analyzed for Cu, Pb, Zn. A geologic mapping program was run concurrently with the geochemical surveys.

Figure 2 is a summary diagram of the PREVO claims. Only claims PREVO 2, 4, 6, 15, 17, 40 remain in good standing. These claims cover coincident Pb and Zn soil anomalies outlined by the detailed surveys. The anomaly centered on PREVO 4, 17 has high Pb and Zn values of 210 ppm and 3600 ppm respectively. On PREVO 40, analyzed soil values are ~~up to~~ up to 110 ppm Pb and 6200 ppm Zn.

Both anomalies occur within the favorable Ordovician Road River shales. The anomalies occur on the margins of a northwest-trending syncline which is covered by younger rocks (see Figures 2 and 3). Subsequent economic potential associated with these anomalies is in the syncline northeast of PREVO 2, 4, 6, 15, 17. We no longer retain control of these claims. The Road River shales containing the anomalies cannot be connected with the CP deposit in subsurface because of an intervening vertical zone of older strata (see cross-sections in Figure 3).

Recommendation:

The geochemically anomalous horizon of Road River shales on the PREVO claims cannot be connected in subsurface with the CP deposit. Surface level has not returned control of the subsurface extension of the favorable horizon. For these reasons it is recommended that the remaining PREVO 2, 4, 6, 15, 17, 40 claims be allowed to lapse.

References:

Curry, J. D. 1973. Geological & Geochemical Report, Pave claim group, N.T.S. 105-E-12, Cyprus Inland Mining Corporation in-house report.

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GLINE CLAIMS

History and Results:

Claims Gline 1-54 was staked in Fall 1972. During 1973 the claim group was covered by a reconnaissance geochemical survey for Cu, Pb, Zn. An area of higher values was resampled for soils with grid control. A geologic mapping program was conducted concurrently with the sampling. In the 1974 season the 1973 soil grid was extended to the north, south, and west.

Geochemical sampling of soils (Cu, Pb, Zn) was completed over the enlarged area. Gline 56-59 were staked in fractions in 1974 on the southwest margin of Gline claims.

Figure 4 is a summary diagram of the Gline claims. Gline 5, 7-16, 18, 27-36, 45, 47, 49, 51, 53A remain in good standing. ⁵⁶⁻⁵⁹ ~~Gline 56-59 have been kept in good standing with payments.~~ This area group of claims covers a linear Pb soil anomaly with a strike length of roughly 1500 meters. Maximum Pb value in this anomaly is 1150 ppm. A low magnitude, diffuse Zn anomaly is generally coincident with the Pb anomaly.

Figure 5 shows the geology of the Gline claims. Outcrop is sparse. In the immediate vicinity of the Pb anomaly, outcrops consist of the Cambro Ordovician Ketchikan Group (wavy-banded limestone) which underlies the Ordovician Road River shales. The small patch of Road River shale exposed on Gline 13 is a possible up-dip surface exposure of the ~~shales~~ shales forming the immediate host for the Au-Ni deposit.

Recommendation:

Spars surface outcrop indicates that the majority of the Gull claims are underlain by Kechika Group. The linear Pb anomaly also appears to be in the Kechika Group and is therefore not related to strati-form mineralization in the Rock River shales. The source of the Pb anomaly is unknown; one possibility is that it is related to minor galena in a major fault / fracture zone. This would explain both the trace (across the structural grains) and the lack of an strongly coincident Zn anomaly. Careful prospecting in the area failed to reveal any mineralization.

Because the geochemical cross-cut anomaly is not associated with Rock River shales, there is no potential for a strati-form Pb-Zn massive sulfide in the claim group. The possible up-dip extension of the immediate host shales for the AND's deposit outcrop on the southwest margin of the claims. It is recommended that the favorable strip of claims be kept in good standing, and the remaining claims should ~~not~~ be allowed to lapse. ~~any other main work being program planned in 1974 to determine the limits of the anomaly.~~ Specifically Gull 5, 7, 9, 13, 15, 56-59 should be kept current through payments. Claims 8, 10, 12, 14, 16, 18, 27-36, 45, 47, 49, 51, 53 should ~~not~~ be allowed to lapse.

References:

Curry, J. D. 1973. Geological & geochemical report, Gull claim group, N.T.S. 105-I-11. Cyprus Anvil Mining Corporation in-house report
Adamsen, T.J. 1974. Geochemical report, 1974 field work, Gull claim group, N.T.S. 105-I-11. Cyprus Anvil Mining Corporation in-house report.

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PAS

PAS 1-48 remains in good standing. PAS 49-50 were dropped in 1955 because of a legal survey of their locations was required. Figures 6 and 7 contain summary information on the PAS claim groups.

History and Results:

Claims PAS 1-32 were staked in 1972 as a result of significant Pb-Zn anomalies in the Howard's Pass area. PAS 33-50 were staked in 1973 as lacerational claims to provide complete coverage. During the 1973 field season a reconnaissance geochemical sampling program was conducted over the entire property. In addition a more detailed grid soil survey was completed on the central portions of the claims. This program resulted in geologic mapping was completed concurrently with the sampling program.

The 1973 program outlined a coincident Pb and Zn linear soil anomaly which extended along the entire 1500 m. length of the grid. Maximum values in the soil samples were 5800 ppm Pb and 9800 ppm Zn. The anomaly is restricted to a thin horizon of stratiform galena and sphalerite mineralization in a cherty mudstone within the Ordovician Road River shales. This horizon was sampled in outcrop (6 inches thick) at one station.

During 1974 the soil grid was extended to the north, west, and east with more extensive sampling. The coincident Pb and Zn linear anomaly was shown to have a strike length of approximately 2200 meters. This anomaly was successfully traced in eight locations along strike. All trenches reaching bedrock contained highly weathered sections with slightly Pb-Zn values. In addition four shallow diamond drill holes were completed to test the down-dip continuity of the mineralized horizon. Total depth drilled was 506.3 meters. Three of the drill holes intersected the mineralized horizon; the fourth was collared too far to the southwest and drilled into older rocks. The mineralized horizon dips steeply at 60-70° to the southwest. Maximum thickness intersected was 15-24 meters; maximum assay value was 5.50% Pb+Zn for a 3-meter interval, maximum depth of occurrence was approximately 75 meters.

The 1971 grid soil geochemical survey also identified a second coincident Pb and Zn anomaly situated northwest of the anomaly which was traversed and drilled. This anomaly has a strike length of over 750 meters and is associated with minor mineralized float occurrences. It also is located within the favorable Ordovician Road River shales (see Figures 6 and 7). No further work has been done on this anomaly.

Figure 7 shows the geology on the PMS claims with the major soil anomalies being indicated in black. Both ~~the~~ anomalies are associated with the favorable Ordovician Road River shales. The southern anomaly has been shown to be caused by a thin zone of stratiform Pb-Zn mineralizations within a siliceous gale mudstone. This horizon dips steeply to the southwest; it appears to be the northeast, up-dip exposure of the major Xy deposit (see Figure 1). On the PMS claims it has not been tested any deeper than 75 meters, it is presumed to increase both in grade and thickness down-dip to the southwest.

The northern anomaly (claims PMS 33, 35, 37) occurs on the southwest margin of a northwest-trending syncline. Both limbs of this syncline are exposed on the PMS claims. The northeastern limb did not contain any ~~type~~ soil anomaly. Because of the limited ^{exposure} ~~width~~ of the synclinal bed of Road River shales, potential for a major stratiform massive sulphide deposit down-dip from the anomaly is minimal.

Recommendations:

The major mineralization on the PMS claims appears to be the up-dip surface exposure of the major Xy deposit. The ~~claims~~ claims 3-16 should therefore be kept in good standing through each payment. PMS 1-15, ~~34-48~~ 28, 30-32, 34-43 are especially critical in this regard.

PMS 17-27, 29 are not critical on terms of the major show stratiform mineralization. The geochemical anomaly ~~on~~ these claims has ~~no~~ minimal potential for a major stratiform massive sulphide.

Deposit. If so deemed these particular claims may be allowed to lapse.

References.

Curry, S.D. 1973. Geological & geochemical report, DAS claim group, N.T.S. 105-I-6 and 11. Equus Hill Mining Corporation in-house report.

Adamsen, T.S. 1974. Report on 1974 field work, DAS mineral claim group, N.T.S. 105-I-6. Equus Hill Mining Corporation in-house report.

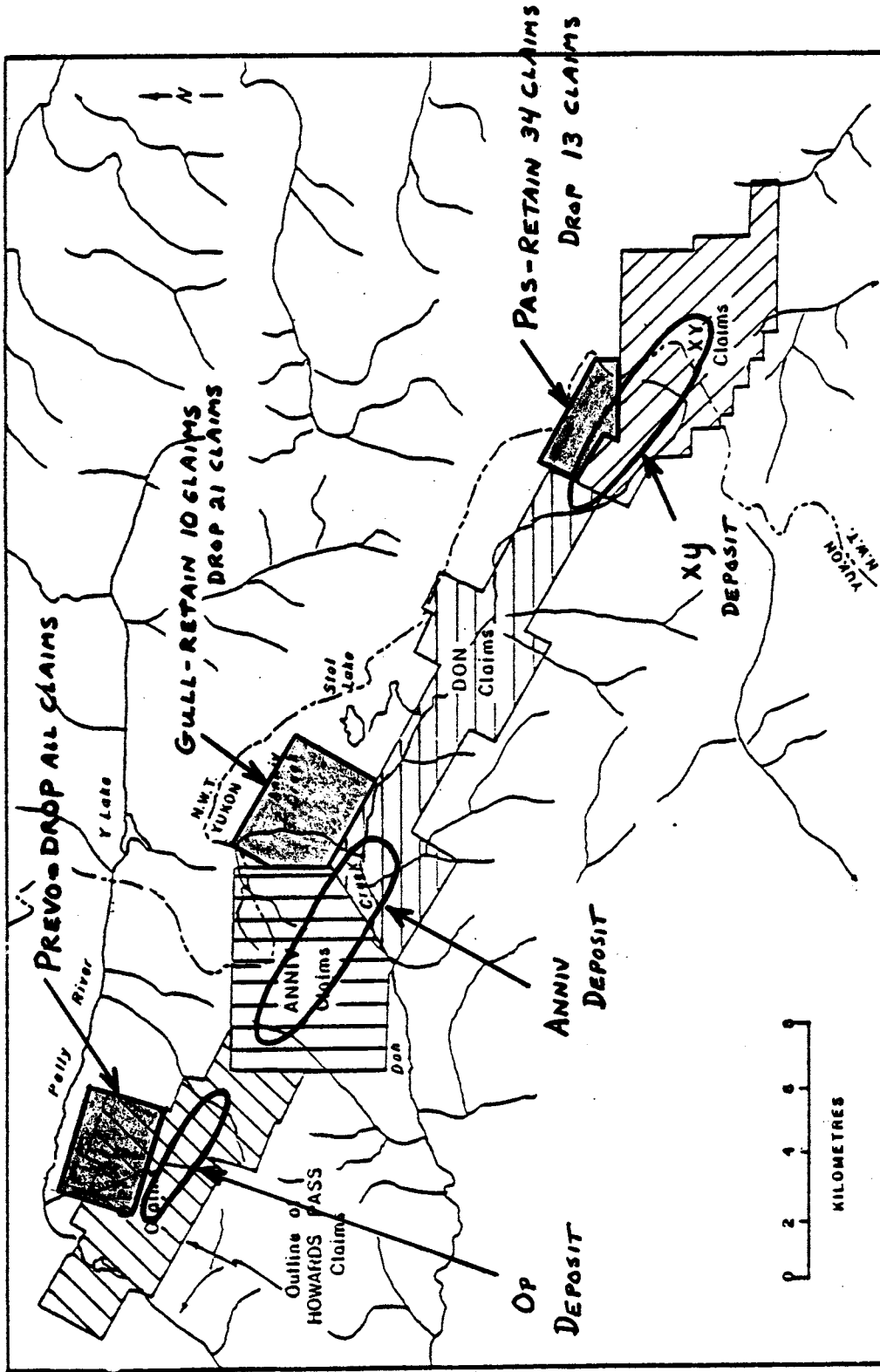
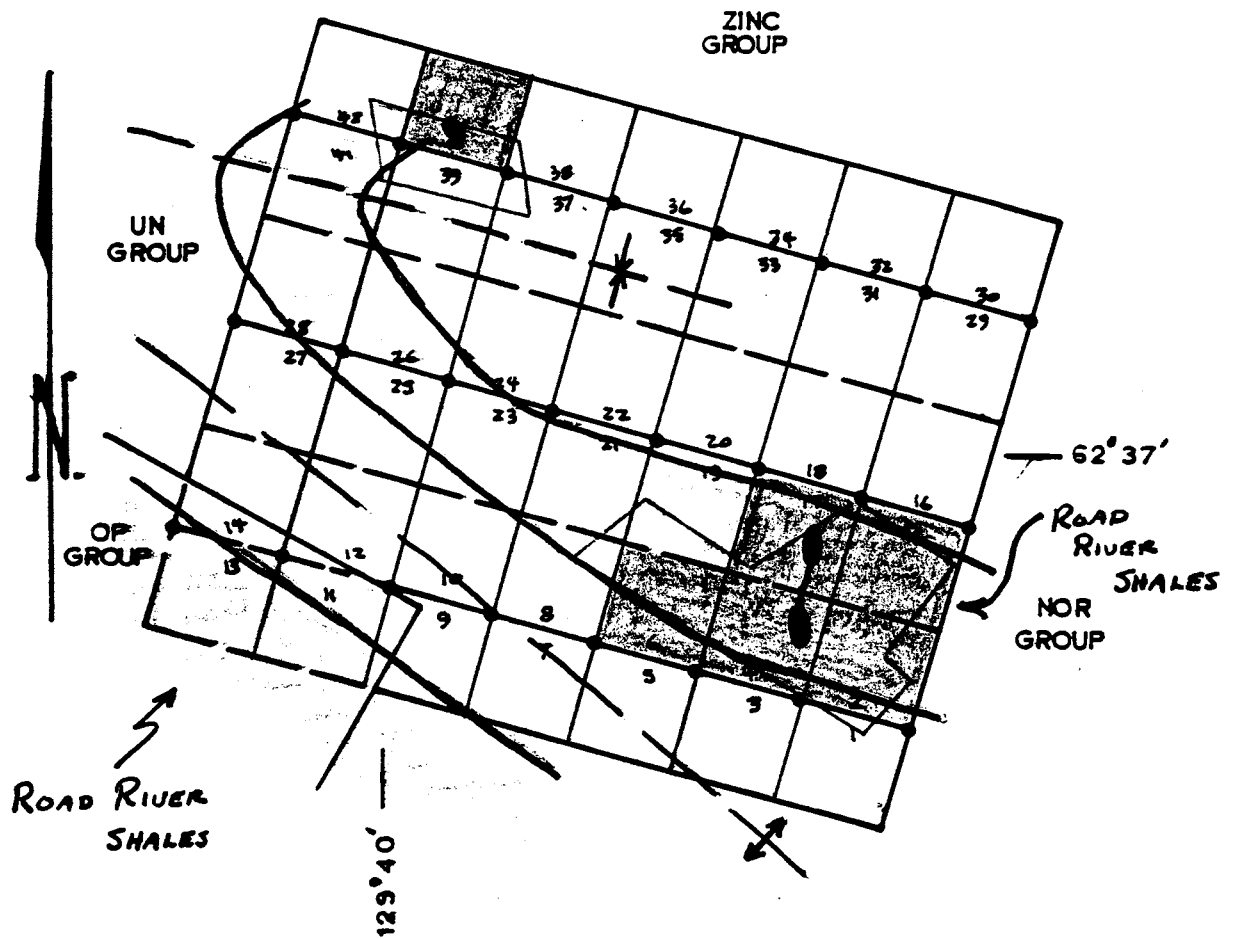


Figure 1 Location map of the various claim groups which constitute the Howards Pass claims. The main claim groups are the XY, DON, ANNIV and OP.

DYNASTY EXPLORATIONS LTD.



● coincident Pb, Zn soil anomalies

PREVO GROUP claim sketch

scale: 1 in. = 1/2 mi.

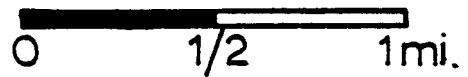
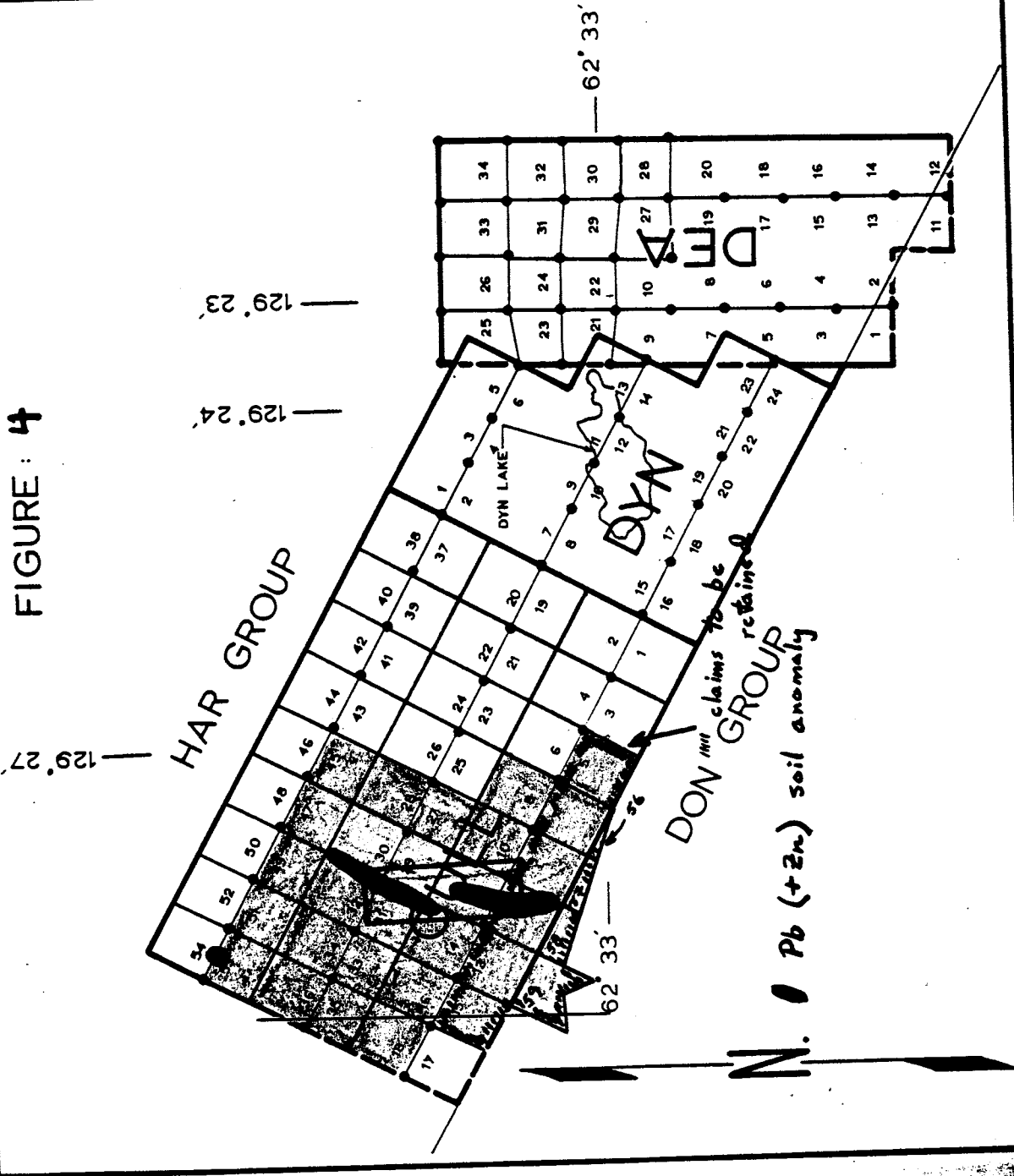


FIGURE: 2
(N.T.S.: 1051-12)

LEGEND

- CLAIM LINE
- CLAIM POST
- 2 CLAIM NAME

FIGURE 4



DYNASTY
EXPLORATIONS

GULL
DYN
DEA
GROUPS

N.T.S.: 1051-11

Scale: 1 in. = 1/2 mi.

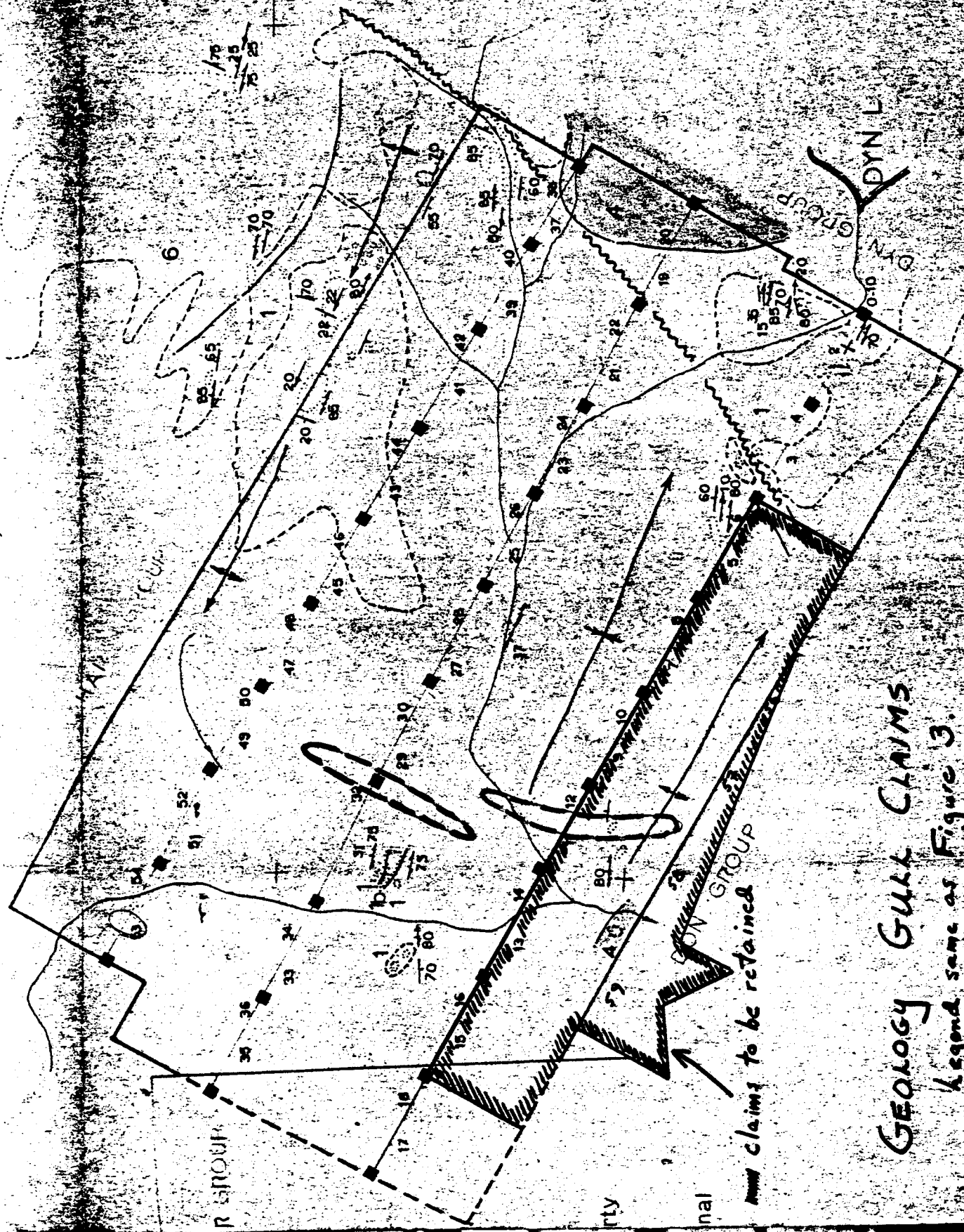


LEGEND

- claim outline
- claim post
- claim line, name

SELWYN
PROJECT

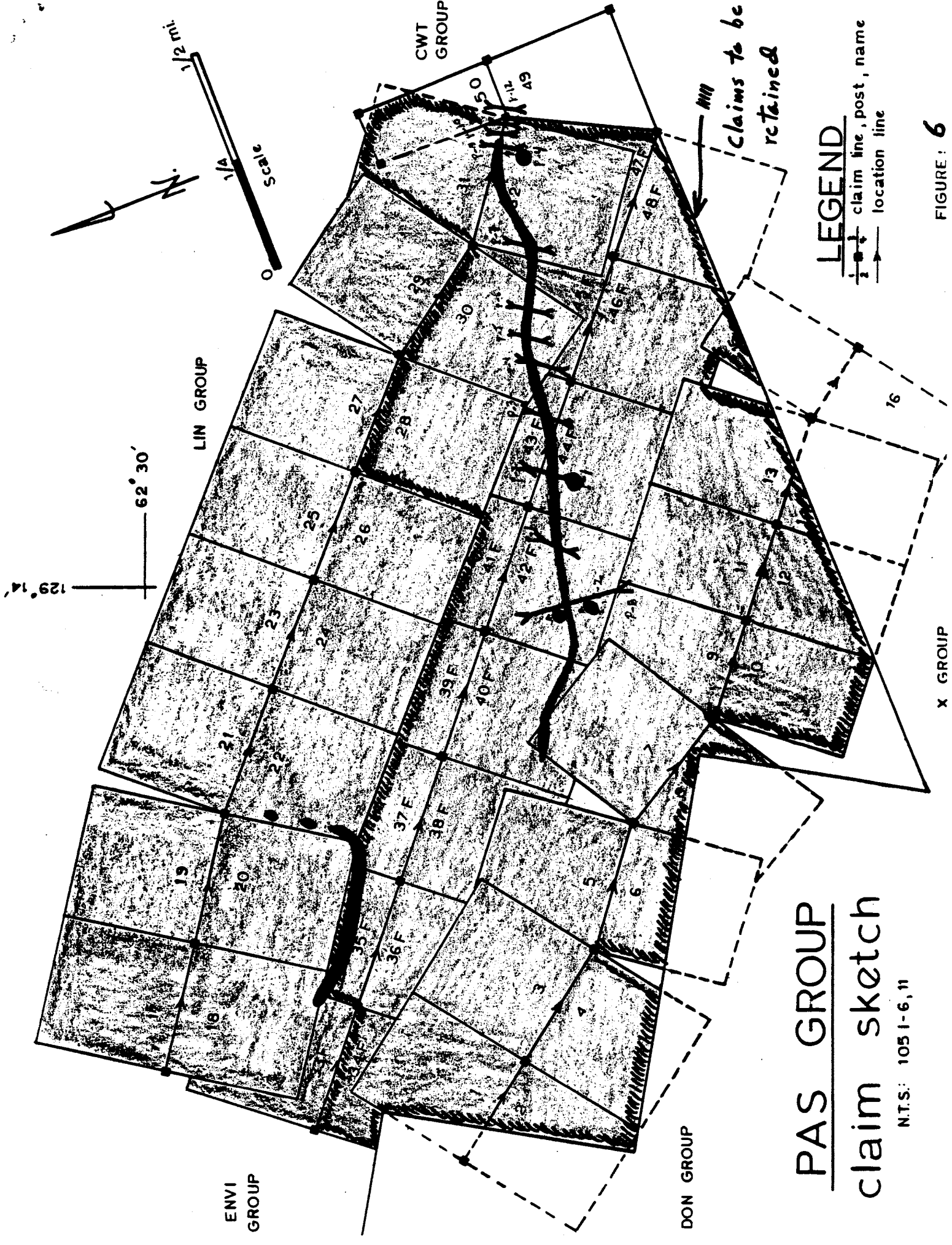
FIGURE 4



GEOLOGY GULL CLAIMS

Legend same as Figure 3.

FIGURE 5



PAS GROUP
claim sketch

N.T.S.: 105 I-6, 11

LEGEND

- claim line, post, name
- location line

FIGURE 6