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UNITED NATIONS REVOLVING FUND FOR NATURAL RESOURCES EXPLORATION

SUPPLEMENTARY SHORT-TERM FUNDING APPROVAL

Mineral Exploration in Western Cyprus (CYP/NR/77/001)

Report of the Administrator

I. Background

1. The project CYP/NR/77/001 (see DP/290) was approved by the Governing Council in January 1978 ^{2/} with the objective of applying in particular a combination of structural analysis and exploration geochemistry in the search for ore deposits, principally those of the cupreous-pyrite volcanogenic type buried beneath barren younger volcanics and lacking obvious surface expression. The project areas are located in the central and western parts of

^{1/} The (1981) document symbols DP/NRE/PROJECTS/1-4 represent recommendations submitted by the Administrator to the Governing Council at its twenty-eighth session for the approval of UNRFNRE projects. In accordance with the new document symbols and numbers which were approved by the Council at its twenty-eighth session (decision 81/37), UNRFNRE project recommendations will now bear the document symbol DP/NRE/PROJECTS/REC (DP/1982/INF/1, item 2(c)). The document symbol DP/NRE/PROJECTS will now represent reports of the Administrator to the Council on the approval of short-term supplementary funding (decision 81/8).

^{2/} Official Records of the Economic and Social Council, 1978, Supplement No. 13 (E/1978/53/Rev.1), page 210.

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Cyprus and have a combined total surface area of approximately 400 square miles. Project cost estimates prepared in 1977 were \$US 195,000 for minimum work and \$US 750,000 for subsequent stages. Field operations began in March 1979.

II. Completed work and exploration results

2. A wide variety of exploration methods have been used in the search for buried massive sulphide deposits. These have included satellite imagery, photogeology, geological mapping, geochemistry (rock, soil and stream sediments), geophysics and drilling.

3. The results have enabled a number of areas to be identified which are considered to have a good mineral potential. Drilling of selected targets resulted in a considerable number of intersections of mineralized ground and two intersections of highly zinciferous and cupriferous massive sulphides, albeit of too small a tonnage to be economically exploitable.

4. Whilst major advances have been achieved in defining mineralized areas, it is not yet possible to accurately determine drill sites which will intersect massive ore rather than the much more widespread surrounding sub-economic disseminated mineralization. Without a solution to this problem, ore deposits in the identified target areas can only be discovered by extensive drilling.

5. A limited amount of geochemical work has been undertaken also over the diabase unit, mainly for the purpose of identifying linears controlling ore formation but also to identify any potentially economic mineralization in the diabase. During this work a number of mineralized areas were recognized, including a prospect near Kambos which was considered to warrant further expenditure. Preliminary soil sampling and mapping disclosed a zone of copper mineralization in numerous fractures which had been worked by pre-historic miners.

III. Continuation of field work

6. Prior to a decision on the future of project operations, the Fund undertook to review all the data and to assess whether any additional expenditure would be warranted. In this assessment, the Fund utilized the services of a highly experienced exploration geologist.

7. It was agreed that the possible massive sulphide areas identified by the project had good ore potential but the large additional expenditures (on the order of \$US 1 to \$US 2 million) needed to test them could not be justified considering the investment that the Fund had already made and the likely replenishment from an ore discovery.

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8. The ore potential (copper with by-product gold) of the Kambos prospect (and several other similar prospects) was considered to be high, but additional work on this prospect was required to indicate the existence of a potential ore-body.

9. In addition, it was concluded that some of the surficial gold deposits had a very definite potential for open-cast mining combined with heap leaching, but again more information was needed on possible tonnages and grades.

10. The findings of the review were discussed with the Government, which emphasized its strong desire that the proposals be implemented so that any deposits would be exploited to the benefit of Cyprus. It was also considered that success would promote the re-development of the Cypriot mining industry with major benefit to the country.

11. The supplementary work programme at Kambos consists of: (a) surveying of a grid, ground magnetometer survey, systematic soil sampling (gold, copper, zinc), detailed geological and alteration mapping, a maximum of 6 diamond drill holes; and (b) additional sampling and mapping of surficial gold prospects to indicate potential tonnages and grades.

12. The supplementary work programme at Kambos and the gold occurrences is for the period mid-December 1981 through mid-June 1982.

IV. Financial data

13. The initial allocation of \$US 945,000 has been completely utilized in carrying out the original work programme. The supplementary funding requirement is not to exceed \$US 210,000. The financial assets of the Fund are adequate to meet the costs of the supplementary funding allocation.

14. This supplementary short-term funding allocation has been approved by the Administrator in accordance with paragraph 2 of Governing Council decision 81/8, which also requests the Administrator to report such approvals to the next session of the Council. ^{3/}

^{3/} Official Records of the Economic and Social Council, 1981, Supplement No. 11, (E/1981/61/R v.1).