

Curragh Resources Inc.
Faro Mined Reserve Reconciliation
January 1 1988 to December 31 1988

Summary:

F8805 model predictions of ore reserves mined in 1988 compares favorably with actual mined tonnage and grade. Variances between blasthole calculations and model predictions are less than 2% except for silver which is slightly higher.

Crusher feed predictions based on blasthole calculations compares favorably to the mill recorded head tonnage and grade. Tonnage variance is less than 2% . Grade variance is 3.5% and 5.8% higher by blasthole calculation for zinc and lead respectively.

Calculated gain in ore stockpile inventory is significantly different than actual stockpile inventory reported by the geology department. Calculated gain in metal inventory (total blasthole +4% ore minus total crusher feed by geology records) is over 100% higher than actual gain reported by geology records. If it is assumed that the "actual" inventory is the true inventory, this result indicates that either total mined blasthole tonnage and grade is slightly overstated or crusher feed tonnage and grade reported by geology is slightly understated. Because of the difficulty in keeping accurate daily metal inventory for the ore stockpiles, it is likely that the latter is true.

Waste predicted by the F8805 model between the 1987 and 1988 pit surfaces vary significantly from the waste totals reported by the mine engineering department. Part of this discrepancy is due to the fact that model predictions do not include tonnage mined outside of the model limits. An additional 969,500 tonnes was calculated by the mine survey department as a result of mining activity outside of the model limits. Even after this tonnage is added to the model calculated waste total it is 2.7 million tonnes lower than the 18.8 million tonnes reported by mine engineering. This represents a 14.8 % variance. Reasons for this variance are currently being pursued.

CURRAGH RESOURCES INC.
FARO MINED RESERVE RECONCILIATION
YEAR END DEC 31 1988

PERIOD: JAN 1 1988 to DEC 31 1988

	TONNES	Pb+Zn %	Pb %	Zn %	Ag g/tn	Au g/tn	tonnes combined	tonnes lead	tonnes zinc	kg silver	kg gold
<u>Ore blocked out in pit by blastholes and mined:</u>											
+4% Pb+Zn cutoff	4,579,256	8.91	3.85	5.06	52.75	NA	408,012	176,301	231,710	241,556	NA
4-5% Pb+Zn	295,098	4.96	2.13	2.83	39.85	NA	14,637	6,286	8,351	11,760	NA
+5% Pb+Zn cutoff	4,284,158	9.18	3.97	5.21	53.64	NA	393,286	170,081	223,205	229,802	NA

Crusher Feed reconciliation:

From Geology records	4,197,670	8.83	3.83	5.00	53.24	NA	370,654	160,771	209,884	223,484	NA
From Mill records	4,125,874	8.45	3.62	4.83	51.88	NA	348,636	149,357	199,280	214,050	NA

Change in ore stockpiles:

Beginning high grade	81,844	7.22	3.05	4.17	38.00	NA	5,909	2,496	3,413	3,110	NA
Beginning low grade	565,816	4.60	1.85	2.75	25.00	NA	26,028	10,468	15,560	14,145	NA
Ending high grade	177,940	8.54	3.58	4.96	46.00	NA	15,196	6,370	8,826	8,185	NA
Ending low grade	721,244	4.66	1.92	2.74	27.00	NA	33,610	13,848	19,762	19,474	NA
Net Change high grade	96,096	9.66	4.03	5.63	52.81	NA	9,287	3,874	5,413	5,075	NA
Net Change low grade	155,428	4.88	2.17	2.70	34.28	NA	7,582	3,380	4,202	5,328	NA
Total Change	251,524	6.70	2.88	3.82	41.36	NA	16,869	7,254	9,615	10,403	NA

Addition to +4% Stockpiles

+4% by BH - Cr Feed †	381,586	9.79	4.07	5.72	47.36	NA	37,357	15,531	21,827	18,072	NA
Actual (geology records)	251,524	6.70	2.88	3.82	41.36	NA	16,852	7,244	9,608	10,403	NA

† Total +4% ore production by blasthole minus total crusher feed from all sources as reported by geology.

Crusher feed variance

(Geology - Mill)	71,796	0.38	0.21	0.17	1.36	NA	22,018	11,414	10,604	9,434	NA
%Var (BH-Mill)/Mill#100	1.7	4.5	5.8	3.5	2.6	NA	6.3	7.6	5.3	4.4	NA

Calculated stockpile variance

Calculated - Actual	130,062	3.09	1.19	1.90	6.00	NA	4,019	1,548	2,471	780	NA
% Var (Calc-Act)/Act#100	51.71	46.12	41.32	49.74	14.51	NA	121.68	114.40	127.17	73.72	NA

MODEL RECONCILIATION

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PERIOD: JAN 1 1988 to DEC 31 1988

	TONNES	Pb+Zn %	Pb %	Zn %	Ag g/tn	Au g/tn	tonnes combined	tonnes lead	tonnes zinc	kg silver	kg gold
Ore blocked out in pit by blastholes and mined:											
+4% Pb+Zn cutoff	4,579,256	8.91	3.85	5.06	52.75	NA	408,012	176,301	231,710	241,556	NA
4-5% Pb+Zn	295,098	4.96	2.13	2.83	39.85	NA	14,637	6,286	8,351	11,760	NA
+5% Pb+Zn cutoff	4,284,158	9.18	3.97	5.21	53.64	NA	393,286	170,081	223,205	229,802	NA

Predicted reserves within mined volume:

Model Unadjusted:

WASTE											
F8805 Phyllite Waste	14,168,160										
F8805 0.1-4%	1,085,570	1.91	0.87	1.04	14.38	0.05	20,775	9,488	11,287	15,610	55
F8805 total -4%	15,253,730										
ORE											
F8805 +4% Pb+Zn	4,442,930	9.73	4.17	5.56	55.10	0.10	432,342	185,226	247,116	244,788	453
F8805 4-5%	260,950	4.44	1.76	2.68	28.66	0.06	11,573	4,593	6,980	7,478	16
F8805 +5%	4,181,980	10.06	4.32	5.74	56.75	0.11	420,624	180,787	239,837	237,306	439

Model diluted: (10% at 0 grade, 95% mining recovery) †

WASTE (Adjusted)											
F8805 Phyllite Waste	13,746,082										
F8805 0.1-4%	1,307,717										
F8805 total -4%	15,053,798										
ORE (Adjusted)											
F8805 +4% Pb+Zn	4,642,862	8.85	3.79	5.06	50.09	0.09	410,724	175,964	234,760	232,548	431
F8805 4-5%	272,693	4.03	1.60	2.43	26.05	0.05	10,994	4,363	6,631	7,104	15
F8805 +5%	4,370,169	9.14	3.93	5.21	51.59	0.10	399,592	171,748	227,845	225,441	417

† 10% dilutant is non sulphide waste, 5% mining loss is sulphide waste.

Ore reserve variance (bh = blasthole)

Variance in +4% Pb+Zn ore (blasthole-adjusted model)	(63,606)	0.06	0.06	0.00	2.66	NA	(2,713)	337	(3,050)	9,007	NA
% Variance +4% Pb+Zn ore (bh-model)/model*100	-1.37	0.72	1.58	0.07	5.32	NA	-0.66	0.19	-1.30	3.87	NA
Variance in +5% Pb+Zn ore (blasthole-adjusted model)	(86,011)	0.04	0.04	0.00	2.05	NA	(6,307)	(1,667)	(4,640)	4,361	NA
% Variance +5% Pb+Zn ore (bh-model)/model*100	-1.97	0.40	1.02	-0.07	3.98	NA	-1.58	-0.97	-2.04	1.93	NA

WASTE RECONCILIATION

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Waste Removed: (total <4% Pb+Zn)

From engineering records 18,816,461
 F8805 Model Unadjusted ‡ 16,223,230
 F8805 Model Adjusted ‡ ‡ 16,023,298

‡ Includes 969,500 tonnes mined outside of model limits in DZ phase NE wall pushback.

Calculated by mine survey department using sectional method to calculate volume of material mined beyond 23200 E (model co-ords) which is the eastern limit of the F8805 model.

Stripping Ratios

UNADJUSTED F8805 model stripping ratio (Total Waste <4% / +4%)	3.65
ADJUSTED F8805 model stripping ratio (Total Waste <4% / +4%)	3.45
ENGINEERING stripping ratio (bh +4% / total waste eng. records)	4.11

Waste variance

(F8805 ADJ - Eng)	(2,793,163)
(F8805 UNADJ - Eng)	(2,593,231)
% Var: (F8805 ADJ - Eng) / Eng	-14.8
% Var: (F8805 - Eng) / Eng	-13.8

‡ Waste tonnage adjusted by the following:

Waste tonnes adjusted for 95% recovery of ore and 10% (by weight) dilution of +4% ore.

Phyllite waste tonnes = Undiluted phyllite waste - (0.1 ‡ .95 ‡ +4% ore tonnes)

Sulphide waste tonnes = Total undiluted sulphide waste + (0.5 ‡ undiluted +4% ore tonnes)

Dilutant is assumed to be phyllite, mining loss is sulphide waste.

Total waste is sum of above two equations.