

To: Kim Barrowman

From: Ed Blaxland

Re: Geologic Model Comparison, December 1988.

A comparison between geologic models and blast hole data for the BZ 3450 bench has been conducted with acceptable results. Comparisons were made on individual ore types, total material and ore alone. Each of the three models were used with both undiluted and diluted tonnages and grades. Blast hole data was chosen as the standard by which the models could be evaluated.

The F8805 model is the most recent for Faro and in this study was more consistent than the others. Its predicted tonnages and grades, by grade categories, show moderate to high variations from the blast hole data. This is to be expected due to the simplification of the geology required in model construction. However, there is a very good relationship between the F8805 model and blast hole data in both the total material and total ore comparisons. These show that the "best fit" results lie between the undiluted and diluted model values with variations of between 5% and 10%.

This suggests that although a dilution factor is required, the current practice of using 10% at zero grade may be a bit too harsh. For instance, if 5% dilution at zero grade was to be used, the per cent difference between the undiluted and diluted models would be halved and begin to approach zero difference between model and blast hole data. Even better results could be achieved if the dilution was considered to contain some small amount of metal content.

As a long range forecasting tool the current F8805 model appears to be quite acceptable. The variation between it and the blast hole data is not greater than the possibility of variation within the blast hole data itself. Updating and refining of the current model will continue but there is no need for a geologic re-interpretation.

Copies of the comparisons are attached.

TOTAL ALL MATERIAL

BZ Phase	OreTns	%Pb	%Zn	Ag g/t	PbTns	ZnTns	Ag kg
F8805 Model	1,089,170	3.11	4.28	40	33,906	46,637	43,916
F8805 Diluted	1,198,087	2.83	3.89	37	33,906	46,637	43,916
F8701A Model	1,037,850	3.44	4.47	43	35,696	46,352	45,017
F8701A Diluted	1,141,635	3.13	4.06	39	35,696	46,352	45,017
FI Model	974,200	2.96	4.05	43	28,803	39,469	41,554
FI Diluted	1,071,620	2.69	3.68	39	28,803	39,469	41,554
Blast Holes	1,149,086	2.84	3.85	37	32,641	44,257	42,259

Blast Hole vs:	OreTns	%Pb	%Zn	Ag g/t	PbTns	ZnTns	Ag kg
F8805 Model	5.5%	-8.8%	-10.1%	-8.8%	-3.7%	-5.1%	-3.8%
F8805 Diluted	-4.1%	0.4%	-1.1%	0.3%	-3.7%	-5.1%	-3.8%
F8701A Model	10.7%	-17.4%	-13.8%	-15.2%	-8.6%	-4.5%	-6.1%
F8701A Diluted	0.7%	-9.2%	-5.1%	-6.7%	-8.6%	-4.5%	-6.1%
FI Model	18.0%	-3.9%	-4.9%	-13.8%	13.3%	12.1%	1.7%
FI Diluted	7.2%	5.7%	4.6%	-5.2%	13.3%	12.1%	1.7%

TOTAL ALL ORE >4%

BZ Phase	OreTns	%Pb	%Zn	Ag g/t	PbTns	ZnTns	Ag kg
F8805 Model	879,120	3.61	5.01	46	31,774	44,072	40,595
F8805 Diluted	967,032	3.29	4.56	42	31,774	44,072	40,595
F8701A Model	948,630	3.65	4.74	46	34,605	45,008	43,608
F8701A Diluted	1,043,493	3.32	4.31	42	34,605	45,008	43,608
FI Model	803,000	3.42	4.63	49	27,452	37,152	39,372
FI Diluted	883,300	3.11	4.21	45	27,452	37,152	39,372
Blast Holes	830,013	3.48	4.75	42	28,844	39,407	35,239

Blast Hole vs:	OreTns	%Pb	%Zn	Ag g/t	PbTns	ZnTns	Ag kg
F8805 Model	-5.6%	-3.9%	-5.3%	-8.1%	-9.2%	-10.6%	-13.2%
F8805 Diluted	-14.2%	5.8%	4.2%	1.1%	-9.2%	-10.6%	-13.2%
F8701A Model	-12.5%	-4.7%	0.1%	-7.6%	-16.6%	-12.4%	-19.2%
F8701A Diluted	-20.5%	4.8%	10.1%	1.6%	-16.6%	-12.4%	-19.2%
FI Model	3.4%	1.6%	2.6%	-13.4%	5.1%	6.1%	-10.5%
FI Diluted	-6.0%	11.8%	12.9%	-4.8%	5.1%	6.1%	-10.5%

LOW GRADE 4-5%

BZ Phase	OreTns	%Pb	%Zn	Ag g/t	PbTns	ZnTns	Ag kg
F8805 Model	138,820	1.59	2.90	28	2,213	4,030	3,920
F8805 Diluted	152,702	1.45	2.64	26	2,213	4,030	3,920
F8701A Model	169,250	2.05	2.51	32	3,463	4,243	5,498
F8701A Diluted	186,175	1.86	2.28	30	3,463	4,243	5,498
FI Model	165,700	2.29	2.38	40	3,796	3,937	6,547
FI Diluted	182,270	2.08	2.16	36	3,796	3,937	6,547
Blast Holes	70,839	2.06	2.89	33	1,459	2,047	2,338

Blast Hole	OreTns	%Pb	%Zn	Ag g/t	PbTns	ZnTns	Ag kg
vs:							
F8805 Model	-49.0%	29.2%	-0.4%	16.9%	-34.1%	-49.2%	-40.4%
F8805 Diluted	-53.6%	42.2%	9.5%	28.5%	-34.1%	-49.2%	-40.4%
F8701A Model	-58.1%	0.7%	15.3%	1.6%	-57.9%	-51.8%	-57.5%
F8701A Diluted	-62.0%	10.8%	26.8%	11.8%	-57.9%	-51.8%	-57.5%
FI Model	-57.2%	-10.1%	21.6%	-16.5%	-61.6%	-48.0%	-64.3%
FI Diluted	-61.1%	-1.1%	33.8%	-8.1%	-61.6%	-48.0%	-64.3%

SULPHIDE WASTE <4%

BZ Phase	OreTns	%Pb	%Zn	Ag g/t	PbTns	ZnTns	Ag kg
F8805 Model	210,050	1.02	1.22	16	2,132	2,565	3,321
F8805 Diluted	231,055	0.92	1.11	14	2,132	2,565	3,321
F8701A Model	89,220	1.22	1.51	16	1,090	1,344	1,409
F8701A Diluted	98,142	1.11	1.37	14	1,090	1,344	1,409
FI Model	171,200	0.79	1.35	13	1,351	2,316	2,183
FI Diluted	188,320	0.72	1.23	12	1,351	2,316	2,183
Blast Holes	319,073	1.19	1.52	22	3,797	4,850	7,020

Blast Hole	OreTns	%Pb	%Zn	Ag g/t	PbTns	ZnTns	Ag kg
vs:							
F8805 Model	51.9%	17.2%	24.5%	39.1%	78.1%	89.1%	111.4%
F8805 Diluted	38.1%	29.0%	36.9%	53.0%	78.1%	89.1%	111.4%
F8701A Model	257.6%	-2.6%	0.9%	39.3%	248.3%	260.9%	398.1%
F8701A Diluted	225.1%	7.1%	11.0%	53.2%	248.3%	260.9%	398.1%
FI Model	86.4%	50.3%	12.3%	72.6%	181.1%	109.4%	221.6%
FI Diluted	69.4%	65.9%	23.6%	89.8%	181.1%	109.4%	221.6%

CURRAGH RESOURCES INC.
GEOLOGY DEPARTMENT
BZ 3450 BENCH
MODELS VS BLASTHOLES

HIGH GRADE >7%

BZ Phase	OreTns	%Pb	%Zn	Ag g/t	PbTns	ZnTns	Ag kg
F8805 Model	484,400	4.72	6.49	54	22,854	31,418	26,365
F8805 Diluted	532,840	4.29	5.90	49	22,854	31,418	26,365
F8701A Model	533,090	4.68	6.13	52	24,943	32,694	27,593
F8701A Diluted	586,399	4.25	5.58	47	24,943	32,694	27,593
FI Model	391,950	4.45	6.36	58	17,454	24,940	22,899
FI Diluted	431,145	4.05	5.78	53	17,454	24,940	22,899
Blast Holes	537,990	4.05	5.53	48	21,789	29,751	25,824

Blast Hole	OreTns	%Pb	%Zn	Ag g/t	PbTns	ZnTns	Ag kg
vs:							
F8805 Model	11.1%	-14.2%	-14.7%	-11.8%	-4.7%	-5.3%	-2.1%
F8805 Diluted	1.0%	-5.6%	-6.2%	-3.0%	-4.7%	-5.3%	-2.1%
F8701A Model	0.9%	-13.4%	-9.8%	-7.3%	-12.6%	-9.0%	-6.4%
F8701A Diluted	-8.3%	-4.8%	-0.8%	2.0%	-12.6%	-9.0%	-6.4%
FI Model	37.3%	-9.1%	-13.1%	-17.8%	24.8%	19.3%	12.8%
FI Diluted	24.8%	0.0%	-4.4%	-9.6%	24.8%	19.3%	12.8%

MEDIUM GRADE 5-7%

BZ Phase	OreTns	%Pb	%Zn	Ag g/t	PbTns	ZnTns	Ag kg
F8805 Model	255,900	2.62	3.37	40	6,707	8,624	10,310
F8805 Diluted	281,490	2.38	3.06	37	6,707	8,624	10,310
F8701A Model	246,290	2.52	3.28	43	6,199	8,071	10,516
F8701A Diluted	270,919	2.29	2.98	39	6,199	8,071	10,516
FI Model	245,350	2.53	3.37	40	6,202	8,276	9,926
FI Diluted	269,885	2.30	3.07	37	6,202	8,276	9,926
Blast Holes	221,184	2.53	3.44	32	5,596	7,609	7,078

Blast Hole	OreTns	%Pb	%Zn	Ag g/t	PbTns	ZnTns	Ag kg
vs:							
F8805 Model	-13.6%	-3.5%	2.1%	-20.6%	-16.6%	-11.8%	-31.3%
F8805 Diluted	-21.4%	6.2%	12.3%	-12.6%	-16.6%	-11.8%	-31.3%
F8701A Model	-10.2%	0.5%	5.0%	-25.1%	-9.7%	-5.7%	-32.7%
F8701A Diluted	-18.4%	10.6%	15.5%	-17.6%	-9.7%	-5.7%	-32.7%
FI Model	-9.8%	0.1%	2.0%	-20.9%	-9.8%	-8.1%	-28.7%
FI Diluted	-18.0%	10.1%	12.2%	-13.0%	-9.8%	-8.1%	-28.7%