

**FARO PIT - OPENING AND CLOSING GEOLOGICAL AND MINING RESERVES**

PIT GEOLOGICAL RESERVES 4% CUTOFF

(no mining loss or adjustments)

	Tonnes	%Pb+Zn	%Pb	%Zn	Ag	Au
1989 Starting Reserves	16,339,000	8.26	3.08	5.18	35.2	0.13
1990 July 1 Reserves	8,181,000	6.69	2.48	4.29	24.2	0.14
Difference	8,158,000	9.75	3.68	6.07	46.2	0.12

EXPLANATION

Mining of approximately 8.0 million tonnes of ore during period.  
 Drilling of an additional 117 diamond drillholes since 1988.  
 Geological interpretation edited to respect additional drilling.  
 New geological model completed in June 1990 (F9005 model)  
 Major Modelling differences are:

- Bench composites rather than geological composites used for grade interpolations.
- Assays clipped to 95th percentile.
- 1/d instead of 1/d<sup>2</sup> weighting of composites during interpolation.
- specific gravity assays reduced by 2% to compensate for rock porosity.

PIT MINING RESERVES 4% CUTOFF

(95% mining recovery)

	Tonnes	%Pb+Zn	%Pb	%Zn	Ag	Au
1989 Starting Reserves	14,051,000	7.75	2.96	4.79	33.3	0.11
1990 July 1 Reserves	5,818,000	6.71	2.39	4.31	22.1	0.16
Difference	8,233,000	8.49	3.36	5.13	41.2	0.08

EXPLANATION

Mining of approximately 8.0 million tonnes of ore during period.  
 New Faro ultimate pit design completed in September 1989.  
 New geological model completed in June 1990 (F9005 model interpolation changes explained above).

**FARO UNDERGROUND  
OPENING AND CLOSING GEOLOGICAL AND MINING RESERVES**

UNDERGROUND GEOLOGICAL RESERVES 9% CUTOFF

(no mining loss or adjustments)

	Tonnes	%Pb+Zn	%Pb	%Zn	Ag	Au	
1989 Starting Reserves -	2,610,000	12.80	5.04	7.76	67.9	NA	
1990 July 1 Reserves -	2,454,000	12.80	5.04	7.76	67.9	NA	
Difference	156,000	12.80	5.04	7.76	67.9	NA	
	-6.4						

EXPLANATION

Mining of approximately 156,000 tonnes of ore during period.

PIT MINING RESERVES 4% CUTOFF

(95% mining recovery)

	Tonnes	%Pb+Zn	%Pb	%Zn	Ag	Au	
1989 Starting Reserves -	2,014,000	11.59	4.59	7.00	61.3	NA	
1990 July 1 Reserves -	1,022,000	10.38	4.11	6.27	60.0	NA	
Difference							

*492,000 10.38 4.11 6.27 60.0*  
-6.4    -97.1    -11.7    -11.7    -11.6    -2.2

EXPLANATION

Mining of approximately 156,000 tonnes of ore during period.  
 New mine plan; S89 Alpha II. Carbonaceous ore types not mined in S89 Alpha II plan.

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