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CURRAGH RESOURCES INC.
Inter-Office Memorandum

To: Gregg Jilson, V.P. Exploration
Whitehorse Office

From: Cam Reed, Exploration Geologist
Whitehorse office

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RE: Faro Operations mineral inventory audits and
statements.

I propose the following policy and procedures for the auditing and compilation of Faro operations mineral inventory.

Mineral inventory audits will be carried out on Dec 31, March 31, June 30, and Sept 30 of each year to correspond to financial quartiles.

An audit will consist of a review of changes (if any) to the long range models; a review of generated pit survey surfaces; and an independent calculation of long range model remaining and mined reserves.

Results shall be compared to blastholes and to the general manager's report. Differences shall be reconciled.

An updated Faro Operations reserve statement shall be compiled at the end of each quartile. (Other properties may be included in a corporate statement if you feel this is necessary). Differences in the mineral inventory from the previous quartile shall be reconciled, documented and included in the report.

A plotted pit survey representing each pit surface at the end of each quartile will be included in the report.

I expect it would take about 3 days to complete an audit and report for each quartile. A trip to Faro may be required if problems are encountered when retrieving the necessary data.

