

002185

To

D. Marr

Date

July 29, 1976

From

J. C. Devitt

D. Hanson

Subject 1977 FEED GRADES AND LONG TERM FORECAST

In accord with a request earlier this week from P. Taggart and T. Biggs, an estimate of feed grades for the last two quarters of 1977 was derived by D. Hanson. Mining schedule projections as used in the second quarter review were used as a basis for calculation. The estimates are:

<u>Quarter</u>	<u>Tons</u>	<u>% Pb</u>	<u>% Zn</u>
3	943,000	3.2	5.3
4	943,000	3.5	5.3

This is an interim estimation. By September 1, a new mining schedule for the next five years will be completed. This will give an accurate picture of ore grade projections for next year, and will supersede the above.

For the twelve year forecast discussed, no further information is available now than was used in the "Case 11" Mining Schedule used in AFE 75001 (also detailed in the memo "Mining Reserves and Schedule," January 26, 1976, J. C. Devitt to J. F. Oik). The revised "rough forecast" for 1977, using above grades and those used in the second quarter review, is:

<u>Quarter</u>	<u>Tons</u>	<u>% Pb</u>	<u>% Zn</u>
1	923,000	2.9	5.0
2	934,000	3.3	5.3
3	943,000	3.2	5.3
4	<u>943,000</u>	<u>3.5</u>	<u>5.3</u>
	3,743,000	3.2	5.2

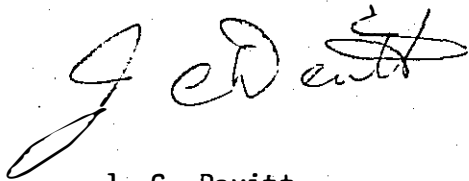
Figures used in AFE 75001 are:

<u>Year</u>	<u>Tons</u>	<u>% Pb</u>	<u>% Zn</u>
1977	3,650,000	3.4	5.5

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New projections, updated to current pit status, will be available September 1, 1976, for the first five years, and several weeks later for the remaining years of the mine lifetime.

Also, during the coming winter, data from our last two seasons (1975 and 1976) of diamond drilling will be integrated into the ore reserve, giving us a much more accurate picture of the grade distribution in the orebody. New reserve figures and working bench plans will be prepared from this data, and will be available in Spring of 1977. This will be used to prepare new mining plans during 1977. Further diamond drilling in 1977 will, hopefully, complete this information, so a final, accurate, ore reserve model may be used for mine planning and scheduling thereafter.



J. C. Devitt
Chief Mining Engineer

JCD/mm

cc. T. Biggs
B. Ferguson
D. Bohach
D. Hanson
D. Gregoire