

003269

To J. Carrington

From J. Purkis

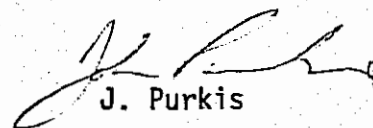
Date August 11, 1981

Subject GEOLOGICAL RESERVES ERROR IN 1980 ANNUAL REPORT

On Page 7 of the Annual Report, proven ore reserves at Faro are recorded as 37,000,000 tonnes at 3.0 Pb, 4.8 Zn, and 37 g/tonne Ag.

My memo of February 1981 (attached) published these numbers as 37,185,000 tonnes at 3.0 Pb, 4.6 Zn, and 35.1 g/tonne Ag.

If anything, future analysis of ore grades will reduce grades further, so I am quite concerned about the discrepancy.



J. Purkis

Chief Engineer

JP/mh

Attach.

To J. Carrington

cc. F. Gay

From J. Purkis

J. 01k

Date February 10, 1981

P. Clarke

Subject OFFICIAL JANUARY 1, 1981 ORE RESERVES

A. MINE RESERVES AS OF JANUARY 1, 1981:

Assumptions: 1974 mine design with N.E. extension modification
 Zone 2 adjustments 0% tonnage (-5)% Pb, Zn, Ag
 Zone 1/3 adjustments (-5)% tonnage (-5)% Pb, Zn, Ag
 4% mine cut-off Zone 1/3; 4.5% mine cut-off Zone 2

	<u>Tons</u>	<u>% Pb</u>	<u>% Zn</u>	<u>Ag (g/tonne)</u>
Zone 2	1,201,000	2.6	3.9	40.9
Zone 1/3	28,964,000	2.9	4.4	35.0
Crusher Stockpile	90,000	2.8	4.9	44.0
TOTAL MINE RESERVES	30,255,000	2.9	4.4	35.3

27,447,000 tonnes

B. GEOLOGICAL RESERVES AS OF JANUARY 1, 1981:

Assumptions: Zone 2 adjustment - 0% tonnage (-5)% Pb, Zn, Ag
 Zone 1/3 adjustments - none
 4% cut-off Zone 1/3; 4.5% cut-off Zone 2

	<u>Tons</u>	<u>% Pb</u>	<u>% Zn</u>	<u>Ag (g/tonne)</u>
Zone 2	1,201,000	2.6	3.5	40.9
Zone 1/3	39,788,000	3.0	4.6	34.9
TOTAL GEOLOGICAL RESERVES	40,989,000	3.0	4.6	35.1

Note: Reserves published here include 1980 drill hole information, new specific gravities, and grade interpolation changes on high grade composites.

25% for plus 25%
 J. Purkis
 Chief Engineer

CYPRUS