

003277

To T. Andrew

cc R. McCallum

From J. Carrington

J. Purkis

Date February 4, 1983

R. Lopaschuk

Subject Remaining Faro Mining Volumes

As per your request, the remaining volumes to be mined from the Faro reserves are:

Waste 54,173,000 BCY

Ore 8,082,000 BCY at 4% (Pb & Zn) cutoff

or

25,200,000 tonnes at 4% (Pb & Zn) cutoff

The corresponding ore/waste ratio is 3.118 tonnes/BCY ore.

The figure 3.175 tonnes/BCY is derived from an old standard of 3.5 SDT ore/BCY converted to metric by dividing by 1.1023, i.e.:

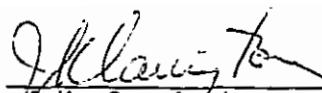
$$\left(\begin{array}{l} 3.175 \text{ tonnes/BCY} = \frac{3.5}{1.1023} \frac{\text{SDT/BCY}}{\text{SDT/tonne}} \end{array} \right)$$

Our old method of ore reserve estimating applied one S.G. value to all ore, thus resulting in a constant 3.5 SDT/BCY.

Our current method of ore reserve estimating applies different S.G. values to different ore types, thus resulting in a varying average value for tonnes/BCY. This would change nominally year by year as the remaining reserves are re-estimated based on the then estimated remaining amounts of ore types.

We know geologically that the remaining reserves have less massive sulphides when compared to the material milled life to date and hence would expect the remaining tonnes/BCY ratio to be less than earlier estimates. The above numbers reflect this.

One final caution - as detailed mine planning has not been carried out beyond the next five years the first overall volume of waste may be somewhat overestimated, perhaps by 10%. The reason for this is because final volumes will be determined only when final roads and ramps are in place. Details like these are changed annually to reflect current mining conditions and production schedules.


 J.K. Carrington

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