

005041

CURRAGH RESOURCES INC

INTER-OFFICE MEMORANDUM

FARO OFFICE

DATE: October 5, 1990

TO: WM. W. DUNN
CHIEF ENGINEER

FROM: DAVE TENNEY
CHIEF GEOLOGIST

SUBJECT: MONTH END PICK-UPS OF CRUSHED STOCKPILES
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At September month end adjustment to the high grade stockpile, after survey pick-up was - 68,153 tonnes, and to the medium grade stockpile + 66,233 tonnes. These numbers are very similar, but this is possibly a coincidence, as no acceptable explanation for them is forthcoming. The following explanations are all considered implausible for the reasons stated:

Possibility # 1

"66,000 tonnes of high grade ore was mistakenly dumped on the medium grade stockpile".

It is highly unlikely that about 500 truck loads of high grade ore could be disposed of to the medium grade stockpile in this fashion. Total high grade production for the month (from Faro East and South Phases) was 122,000 tonnes. To suppose that half of it was mucked to the wrong location is an almost untenable assumption. However, no matter how unlikely this possibility appears to be, it is the one best supported by the numerical data.

Possibility # 2

"High grade ore in the Faro Pit was called high grade in the blasthole database but misflagged as medium grade in the pit."

This is not supported by truck count data, which shows high grade trucked as similar to high grade blasthole tonnes mucked.

Possibility # 3

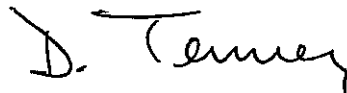
"Survey Error"

There is no reason to expect that a survey error on one stockpile would be exactly counterbalanced by an error of opposite magnitude on an adjacent stockpile. Several checks, including dummy runs with other stockpile bases, have been done with no improvement in the final result.

Possibility # 4

"Ore was mucked from the high grade stockpile to the mill and recorded as medium grade"

This cannot account for the stockpile discrepancy as only 10,000 tonnes of medium grade stockpile ore was recorded as going to the crusher during the month.



Dave Tenney
Chief Geologist

DT:cc