SUMMARY REPORT FOR 90DY-04-DS DY PILOT HOLE

WEEK ENDING SEPTEMBER 14, 1990

FOR: GREGG JILSON
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#117 INDUSTRIAL ROAD
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Y1A 2T8

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September 15, 1990

INTRODUCTION

Diamond drill hole 90DY-04-D8 was collared Aug 5, 1990. This hole has been collared HQ and all attempts to maintain this size until completion will be made. This drill hole represents the pilot hole for the Dy shaft. The deviation window established for this hole is an eight foot raduis. The pilot hole was stopped at a cored length of 652 feet due to excessive deviation.

A further 20 feet of NQ was cored to provide a collar for a down hole motor. The down hole motor will complete corrective procedures for the hole trajectory. To date, one down hole motor cut has been completed. At least one more cut is anticpated.

STATUS

At 652 feet the oreintation of the hole was 203.8 degrees with an inclination of -88.55. This has been determined by a gyroscopic survey with 25 foot sample spacings. The net displacement of the hole at that point has been calculated as 12.04 horizontal feet from the collar.

Corrective procedures with the down hole motor began on Sept. 7, 1990 and was completed three days later. The interval which has been motored includes the interval from 672 feet to 775 feet. No lithologic nor geotechnical data exits for this interval. The drill hole trend after motoring was 036 Az. with an inclination of -88.92. This orientation was deterimined with a Sperry Sun 6 degree compass and a 2 degree IOL.

The corrected hole trajectory of 036 az. after motoring was considered adequate to return the trace of the drill hole to the centerline of the hole. This trajectory contained a 10 degree counterclockwise rotation correction factor. The azimith required to reach the centerline of the hole is 026 degrees assuming no deviation in azimith. The 10 degree corrective factor allowed for a NW deviation in the hole while coring. The trend of this cut would allow the hole to be motored into the vertical trace within a foot of the centerline of the hole after an estimated 300 to 400 feet of coring.

The cored interval form 775 to 1003 feet was surveyed using Sperry Sun single shot equipment. The deviation rate determined for this interval is 15 degrees counterclockwise for every 100 feet drilled. The inclination is generally consistant with minor eporadic changes into a steeper inclination. This deviation rate no longer provides for the option of motoring into the vertical trace near the centerline of the hole. The "current" plan is to allow the hole to be cored to the northwestern limit of the 8 foot radius then motoring into a southeasterly trend. The projected X and Y cordinates where motoring would begin with this deviation are less than optimal for controlling deviation during subsequent coring intervals. Figure 1 indicates the projected trend should this deviation continue. The deviation is considered to be attempting to reach an azimith of 328. This azimith the general deviation of previous drilling in the vicinity of the pilot hole. The 15 degree / 100 foot devation rate would require the next motoring interval to occur at an estimated hole depth of 1650 to 1675 feet. This deviation rate has been encountered by drilling with head pressures of 250 to 350 PSI, torque of 1100 to 1200 KPA, and low water pressure.

As of 7:00 PM September 14, 1990 head pressures have been reduced and maintained at 150 to 250 PSI, torque at 1000 to 1100 KPA, and water pressure will be kept low. The bit was also changed to a slightly softer one. Low water pressure will increase recovery in gouge zones at the expense of bit wear.

The intent of the reduced drill pressures, torque and bit type is reduce the deviation to 5 degrees conterclockwise for every 100 feet drilled. Figure 2 displays the trend of the drill hole trace with this deviation. Assuming this deviation rate can be maintained the next motoring interval is projected to be at approximately at 1800 feet in hole depth. This deviation rate will also place the point of motoring in a more favorable location.

Assuming the 5 degree / 100 feet deviation rate can be achieved and maintained the next motor interval will allow the next coring interval to be oriented at an estimated azimith of 148. This scenario would allow the next coring interval to be oriented in the complimentary azimith of the deviation trend and oriented at the centerline of the hole. It is considered that coring below the second motor out will attempt to rake approximated through vertical and again begin the northwest trend in deviation. This scenario is considered to be the best option and most easily achieved. It will also provide for a signifiocantly increased length which can be cored before a third out is required. It is also considered probable that this second motor out will be the last.

CURRENT DDH DATA

As of noon September 15, 1990 the pilot hole was at a depth of 1120 feet. Deviation over the last 100 feet has been reduced, although a moderate zone of gouge and broken quartz rubble (2-3 feet) is considered to have had a significant influence on the hole trajectory. Therefore the reduced deviation rate cannot be entirely attributed to new format of head pressures, torque and bit type. The deviation rates are of key intrest and will be watched closely. An estimated 200 to 300 feet of coring will be required before any confidence in predicting deviation rates can exist. I will keep you posted on the latest plan/plans.

All survey data to date is included in table 1. Figure 3 represents the current trace for 90DY-04-DS.

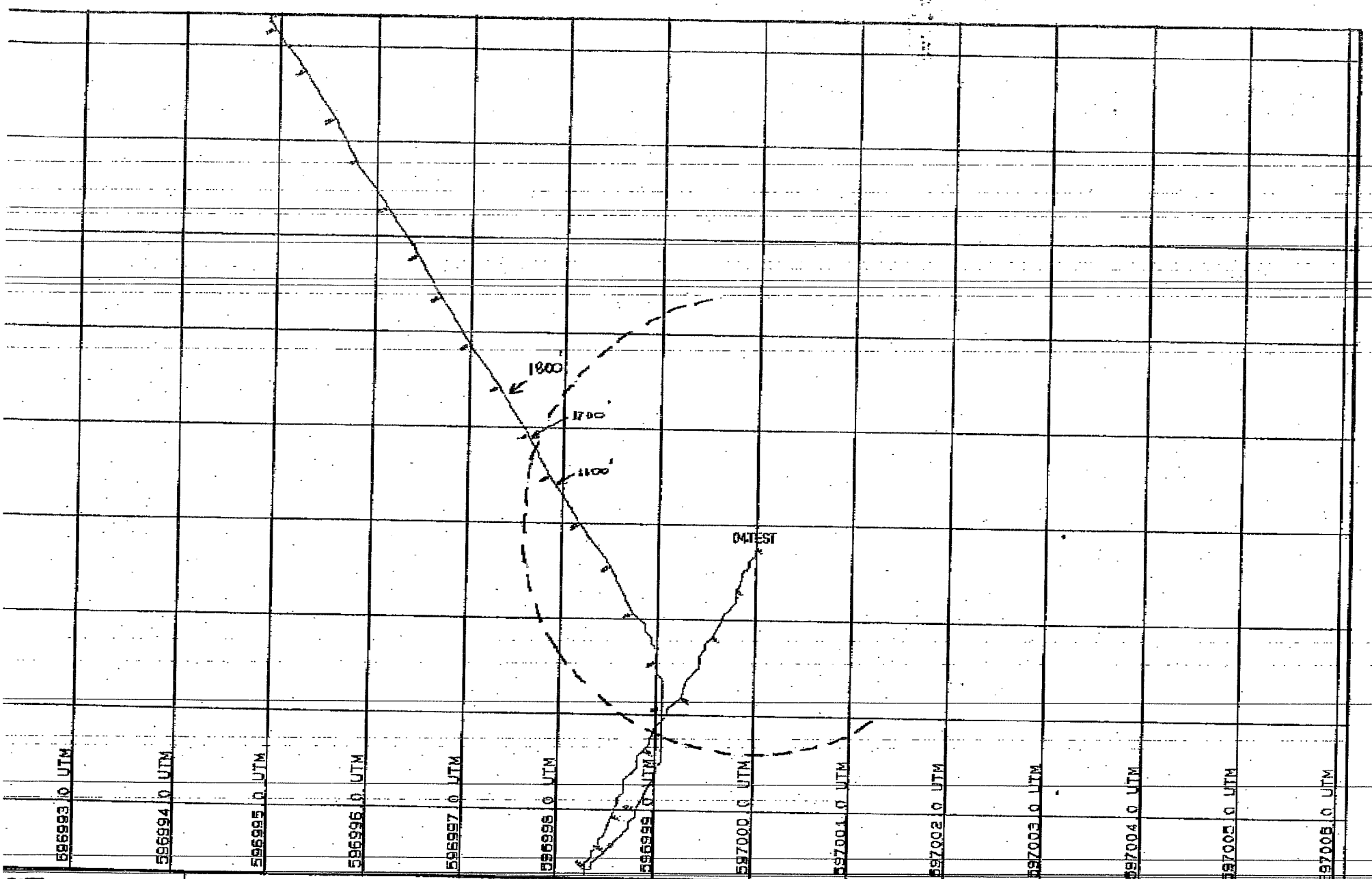
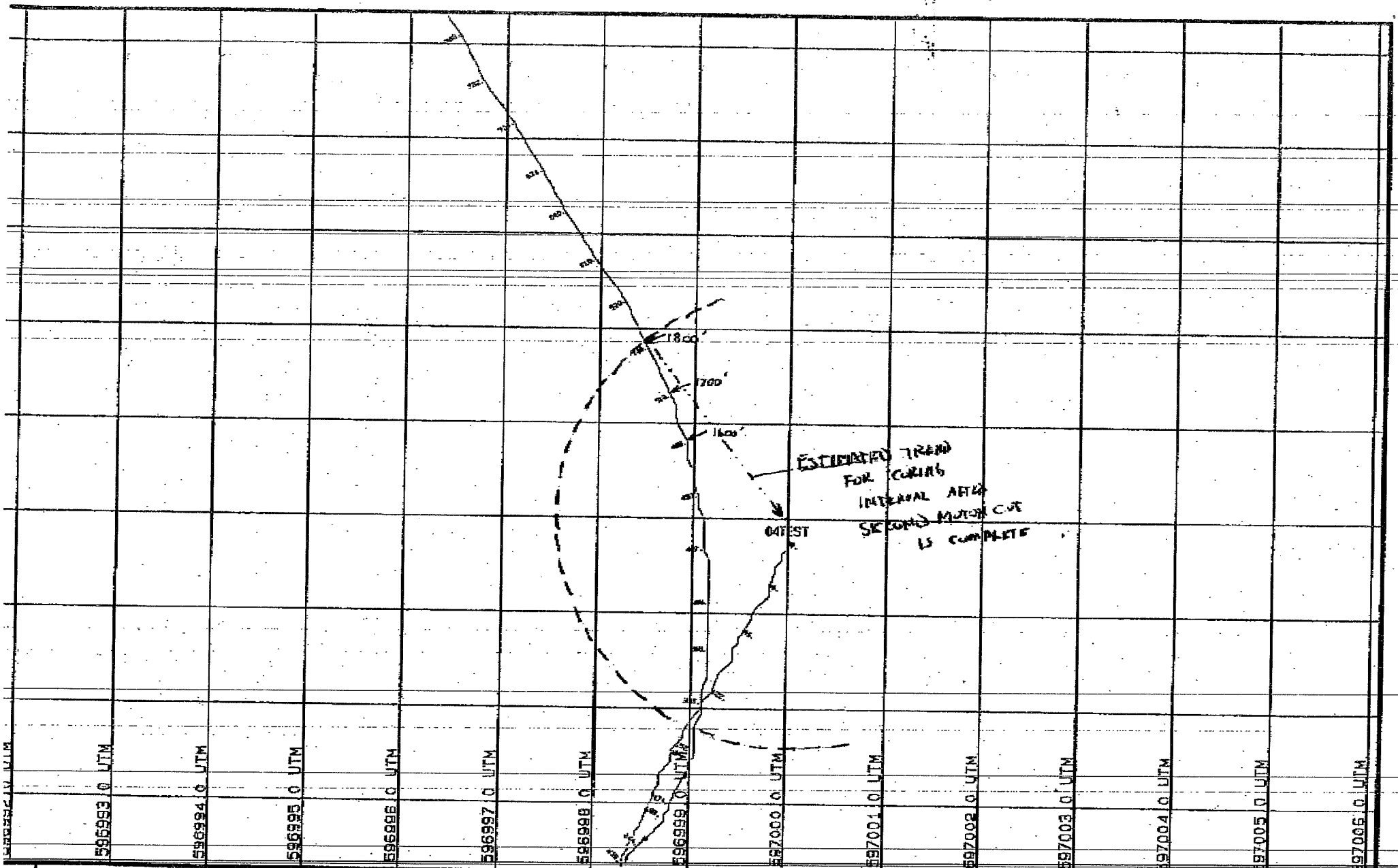


FIGURE 1

901005.0 UTM
901004.0 UTM
901003.0 UTM
901002.0 UTM
901001.0 UTM
901000.0 UTM
900999.0 UTM
900998.0 UTM
900997.0 UTM
598890.0 UTM
598991.0 UTM
599092.0 UTM
QUICK-PLOT
GEMCOM Services Inc.
HORIZONTAL SCALE =



DATE = 14-09-90
TIME = 23:51:27

Curragh Resources Inc.
Faro Mine

E = 1 : 50

VERTICAL SCALE = 1 : 50

DY DEPOSIT - 90DY-04-DS.
PLOT OF ASSUMED TRACE WITH 05 DEGREE DEVIATION IN AZ BELOW 1003', ASSUMED NO CHANGE IN INCLINATION

FIGURE 2

901005.0 UTM
901004.0 UTM
901003.0 UTM
901002.0 UTM
901001.0 UTM
901000.0 UTM
900999.0 UTM
900998.0 UTM
900997.0 UTM
QUICK-PLOT
GENCOM Services Inc.
HORIZONTAL SCALE
Extended Page

90DY04
597302.0 UTM
597303.0 UTM
597304.0 UTM
597305.0 UTM
597306.0 UTM
597307.0 UTM
597308.0 UTM
597309.0 UTM
597310.0 UTM
597311.0 UTM
597312.0 UTM
597313.0 UTM
597314.0 UTM
597315.0 UTM
DATE = 18-09-90
TIME = 00:52:38
Curragh Resources Inc.
Faro Mine
LE = 1 : 50
VERTICAL SCALE = 1 : 50
BY-DEPOSIT - 90DY-04-DS
CURRENT DRILL HOLE TRACE
SEPT 15, 1990
HOLE DEPTH AT 1120'

FIGURE 3

901371.0 UTM
901370.0 UTM
901369.0 UTM
901368.0 UTM
901367.0 UTM
901366.0 UTM
901365.0 UTM
901364.0 UTM
901363.0 UTM
597300.0 UTM
597301.0 UTM
QUICK-PLOT
GEMCOM Services Inc
HORIZONTAL SCAL

CURRENT TREND DATA FOR 90DY-04-DG:
SURVEYS UPTO SEPT. 15, 1990

TABLE 1

SURVEY TYPE	DEPTH (FT.)	AZIMITH	INCLINATION	CO-ORDS NORTHING	CO-ORDS EASTING	HORIZONTAL DEVIATION
GYROSCOPE	0	183.20	89.36	0	0	0.00
GYROSCOPE	25	176.80	89.45	-0.22	0	0.22
GYROSCOPE	50	176.40	89.30	-0.45	0.02	0.45
GYROSCOPE	75	189.00	89.30	-0.67	0.01	0.67
GYROSCOPE	100	195.40	89.36	-0.92	-0.05	0.92
GYROSCOPE	125	199.30	89.21	-1.22	-0.14	1.23
GYROSCOPE	150	203.60	89.13	-1.56	-0.28	1.58
GYROSCOPE	175	199.70	89.07	-1.93	-0.42	1.98
GYROSCOPE	200	198.60	89.10	-2.31	-0.56	2.38
GYROSCOPE	225	210.30	89.15	-2.65	-0.71	2.74
GYROSCOPE	250	211.20	89.00	-3	-0.92	3.14
GYROSCOPE	275	209.10	88.77	-3.43	-1.17	3.62
GYROSCOPE	300	210.60	88.73	-3.9	-1.44	4.16
GYROSCOPE	325	207.70	88.71	-4.39	-1.71	4.71
GYROSCOPE	350	203.80	88.68	-4.91	-1.96	5.29
GYROSCOPE	375	211.20	88.67	-5.42	-2.23	5.86
GYROSCOPE	400	212.30	88.64	-5.92	-2.53	6.44
GYROSCOPE	425	209.70	88.68	-6.42	-2.83	7.02
GYROSCOPE	450	213.40	88.78	-6.89	-3.12	7.56
GYROSCOPE	475	213.50	88.71	-7.35	-3.43	8.11
GYROSCOPE	500	209.70	88.70	-7.83	-3.72	8.67
GYROSCOPE	525	206.80	88.56	-8.36	-4.01	9.27
GYROSCOPE	550	202.80	88.52	-8.94	-4.27	9.91
GYROSCOPE	575	201.50	88.68	-9.5	-4.5	10.51
GYROSCOPE	600	204.10	88.52	-10.07	-4.74	11.13
GYROSCOPE	625	202.90	88.34	-10.66	-5	11.77
GYROSCOPE	637	203.80	88.55	-10.94	-5.12	12.08
SPERRY SUN IOL/6 Deg. COMPASS	705	206.00	87.43	-11.94	-5.58	13.18
SPERRY SUN IOL/6 Deg. COMPASS	723	11.00	89.90	-12.01	-5.62	13.26
SPERRY SUN IOL/6 Deg. COMPASS	737	39.00	89.78	-11.98	-5.6	13.22
SPERRY SUN IOL/6 Deg. COMPASS	753	51.00	89.08	-11.88	-5.48	13.08
SPERRY SUN IOL/6 Deg. COMPASS	768	51.00	89.17	-11.78	-5.36	12.94
SPERRY SUN IOL/6 Deg. COMPASS	773	36.00	88.92	-11.66	-5.25	12.79
SPERRY SUN IOL/6 Deg. COMPASS	785	38.00	89.00	-11.51	-5.14	12.61
SPERRY SUN IOL/6 Deg. COMPASS	793	48.00	88.97	-11.38	-5.02	12.44
SPERRY SUN IOL/6 Deg. COMPASS	842	38.00	88.94	-10.73	-4.42	11.60
SPERRY SUN IOL/6 Deg. COMPASS	883	31.00	89.02	-10.13	-4	10.89
SPERRY SUN IOL/6 Deg. COMPASS	972	19.00	88.93	-8.69	-3.34	9.31
SPERRY SUN IOL/6 Deg. COMPASS	1003	13.00	88.96	-8.14	-3.17	8.74
SPERRY SUN IOL/6 Deg. COMPASS	1033	356.00	89.92	-7.55	-3.28	8.23
SPERRY SUN IOL/6 Deg. COMPASS	1073	3.00	89.26	-6.89	-3.28	7.63
SPERRY SUN IOL/6 Deg. COMPASS	1091	7.00	89.15	-6.89	-3.28	7.63