

1.0 INTRODUCTION

One of five known lead-zinc deposits in the Anvil District, the Dy deposit is located 30 kilometres southeast of the Faro concentrator, 480 to 690 metres below the surface. The Dy deposit was discovered in 1976 by Cyprus Anvil Mining Corporation (CAMC). The discovery hole (76X-21) was targeted to intersect favourable stratigraphy interpreted to exist at least 500 m below the surface. The hole was successful in intersecting several thick sulphide horizons over an interval from 513.6 m to 622.8 m. In the five years that followed, CAMC drilled 52 holes in the vicinity of the deposit and produced two versions of a preliminary reserve calculation.

After acquiring the assets of CAMC in 1985, Curragh Resources Inc. (CRI) completed an additional 21 drillholes at Dy. The holes were drilled between 1989 and 1991. The majority of the drillholes were drilled to test geotechnical conditions near proposed underground development. Nine drillholes were targeted to test and delineate parts of the Dy mineralized zone.

This report presents a new structural interpretation for the deposit based partly on the results of that drilling and presents a polygonal calculation of the geological reserves based on all drilling completed to date. Summaries of the earlier reserve estimates are included for comparison. Detailed calculation sheets, maps, vertical sections and drillhole assays are included in the Appendices at the end of the report.

2.0 LOCATION AND ACCESS

The Dy property is located in the Anvil Range of central Yukon near the town of Faro, approximately 200 km northeast of Whitehorse (figure 1). The Dy property is 6 km southeast of the Grum deposit on the southeast limit of the Vangorda Plateau. Ground elevations on the property range from 800 to 1175 m.

Access to the property can be gained by all weather roads from two directions. A secondary road from Faro southeast along Pelly River and northeast along Blind Creek can be used as can a road extending southeast from the Vangorda deposit. Access to Faro is via all weather highway or daily air service.

3.0 CLAIMS

The Dy Project is on land that is part of a larger block of claims covering favourable geology in the Anvil Range. The claims in the vicinity of the Dy Project are listed on Table I and shown on figure 2.

Claims comprising the Dy property are mostly wholly beneficially owned by Curragh Resources Inc. Part of the property consists of claims beneficially owned by Pelly River Mines which is 71.43% owned by Curragh. To the west of the deposit there are claims with a 5% net profits interest divided between Kerr Addison Mines (2%) and Canadian Natural Resources (3%). The distribution of the various ownership positions is indicated in figure 2. Certain quartz claims are in the process of being converted to mineral leases. Lease documents for 12 claims have been issued and signed by Curragh Resources and await signing on behalf of the Crown. Two additional claims have been surveyed and may be converted to leases once the statutory 60 day notice period has passed. The area of the Dy mineral leases is outlined in figure 3.

4.0 DEPOSIT GEOLOGY

The Dy deposit is similar to the other Anvil District deposits in that it is a multi-layered, polydeformed, sediment hosted sequence of exhalative, massive and disseminated pyritic sulphides. Sulphide layers are variably mineralized and commonly interbanded with metasedimentary and lesser metavolcanic phyllites. The enclosing rocks are muscovite-chlorite phyllites which are locally altered near the deposit. Metamorphic grade is dominantly greenschist facies. Structurally deeper levels (mainly lower than mineralization) are transitional to amphibolite facies. Numerous late, hornblende diorite and quartz feldspar porphyry dikes cut the deposit and are more concentrated at the east end of the deposit.

The known mineralized zone ranges up to 200 m thick in aggregate, has a strike length of approximately 2200 m, and a width up to 1800 m. The horizons of the Dy deposit span a poorly defined transition zone from the Mt. Mye formation to the younger, calcareous Vangorda formation. The deposit is amoeboid shaped in plan view and is unusual for the Anvil District in that it has two well defined zones (figure 3) of varying lead zinc ratio, in the southwest the A which is relatively lead rich and in the northeast the B which is relatively zinc rich.

4.1 Structure

The internal structure of Dy is poorly understood because of lack of data, however, it is reasonable to expect that the structural complexity of the other more densely drilled Vangorda Plateau deposits (Vangorda, Grum) also exists at Dy. There is evidence of at least five phases of deformation in the district. On Vangorda Plateau the first two are generally most significant in that they are penetrative and affect the overall shape and geotechnical characteristics of the mineralized zone and its host rocks. A well developed, moderately southwest dipping, metamorphic cleavage (S_2) is generally subparallel to the sulphide layering. In the phyllite host rocks, S_2 is a well developed, micaceous cleavage axial planar to second phase folds in layering. S_2 is generally the most important parting or plane of fissility in the rocks. This cleavage is an important geotechnical consideration for underground development, particularly where S_2 is cross cut by faults and joints. Within massive and disseminated sulphide horizons, S_2 is

present as thin compositional bands. The sulphide rock types are generally competent and S₂ does not represent a significant geotechnical concern. A possible exception to this generalization is due to local, carbonaceous partings along S₂ imparting a fissility to some lower grade disseminated sulphide bearing quartzites. This material is more prevalent at the footwall of the high grade zone.

4.2 Faults

There are numerous steep faults which cut the deposit and there are important, shallowly dipping faults present immediately beneath the deposit. Many of these faults, especially the steeply dipping ones, contain significant clay/mud gouge and are water bearing. The current drilling density precludes the possibility of resolving frequency of occurrence or orientation and displacement on most of these faults. Two important faults were detected in the shaft pilot hole. The upper one trends northeast-southwest and dips moderately northwest. The lower fault is perhaps more significant in that it may truncate the ore zone along its northeast boundary (the straight portion of the outline northeast of 90DY04 in figure 4). It is suspected to trend east-northeast/west-southwest and dip steeply south. The shallowly dipping faults are generally marked by intact fault rock and may not pose a significant geotechnical concern.

4.3 Sulphide Lithofacies

There are several sulphide lithofacies which comprise all of the Anvil District deposits. Two principal subdivisions exist; massive and disseminated pyritic sulphides. The proportion of each type varies from deposit to deposit. The distribution and proportion of each is not well known at Dy. Drilling to date indicates that the bulk of the higher grade material is massive sulphide.

The dominant rock type in the massive sulphide lithofacies is massive pyritic sulphide (4E) which is gradational into barite bearing massive sulphide (4G). Massive pyritic sulphide consists of homogeneous to finely banded, usually weakly foliated, fine grained massive pyrite with lesser sphalerite and galena. Total sulphide content is at least 60%, generally greater than 80%, and commonly near 100%. Gangue consists of quartz ± barite (less than 10%) ± carbonates (calcite, dolomite, ankerite, siderite). Accessory minerals include pyrrhotite, magnetite, chalcopyrite, arsenopyrite and marcasite.

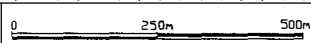
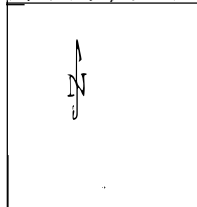
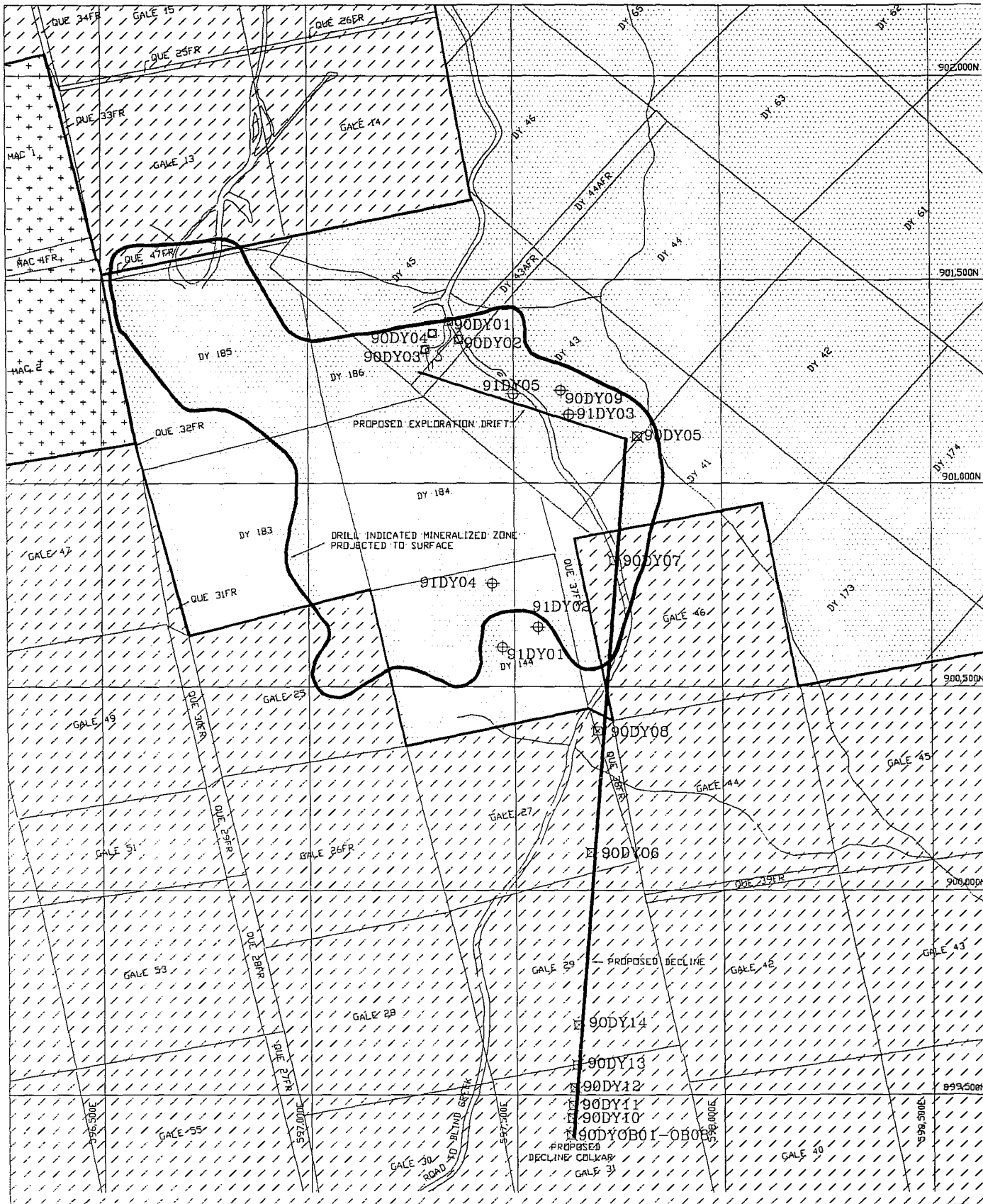
The baritic massive sulphides (4G) are a well banded rock consisting of alternating barite poor and barite rich bands on a scale of a few millimetres. Barite content is at least 10% and generally near 30%, rarely is there more than 50% barite by volume in this rock type. The baritic massive sulphides are usually always high grade. They tend to be slightly more lead and silver rich than other rock types. The barite lithofacies commonly contains fine magnetite and less commonly is carbonate bearing.

Other less important massive sulphide lithofacies at Dy contain up to 70% pyrrhotite (4H), or up to 50% carbonate (4K).

The dominant rock type in the quartzose, disseminated sulphide lithofacies is ribbon banded graphitic quartzite (4A). This unit is dark grey to black, moderately hard to very hard, well banded, fine grained, sulphide bearing, carbonaceous, locally micaceous quartzite. Compositional bands usually range from 1 mm to 2 cm thick. The bands are alternating dark grey to black, very fine grained, locally micaceous quartzite interbanded with light grey to locally red-brown, fine grained, quartz-sulphide bands. Pyrite is usually the dominant sulphide species with lesser sphalerite and galena. Locally, lead-zinc sulphides, particularly light red-brown sphalerite, are dominant. Locally, pyrrhotite is present rather than pyrite but is only a minor constituent overall. Carbon content is normally within the $\frac{1}{4}$ to $\frac{1}{2}$ % range and generally occurs in thin coatings concentrated on cleavage surfaces.

Chalcopyrite occurs locally in traces as small blebs and infills of hairline fractures. Total sulphide content varies from 15% to 30% and may locally range up to 60%.

An important variant of the disseminated sulphides (4D where $> 4\%$ Pb+Zn, 4C where $< 4\%$ Pb+Zn) is deficient in carbon, less well banded and more sulphide (particularly pyrite) rich than the ribbon banded quartzites. Major sulphide minerals are pyrite, galena and sphalerite. Total sulphide content is generally in the range 30 to 60%. Gangue is quartz with lesser carbonate. Accessory minerals are magnetite, chalcopyrite and/or pyrrhotite. 4A is completely gradational to 4D/4C and some pyritic quartzites appear to be related to 4A by alteration involving decarbonation adjacent to metabasites.



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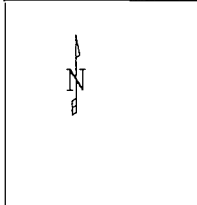
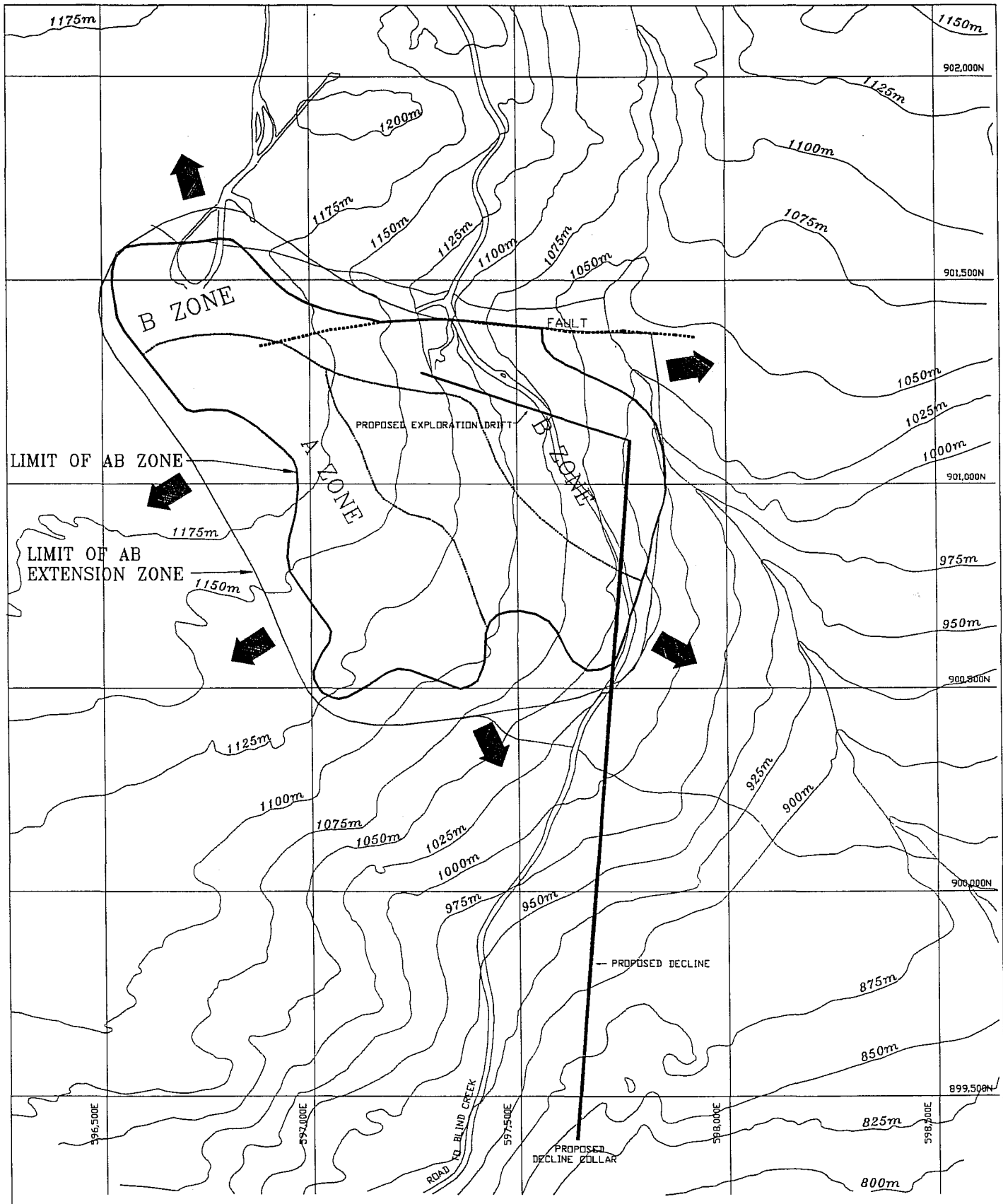
DY PROPERTY

DY AREA - CLAIMS

REPORT No: WH9103 FIG No: 2
 Drawn by: J.C.N. Date: JUNE 5, 1991 N.T.S. 105K3
 Drawing No: FILE: DYMRMAP

LEGEND:

- DECLINE DRILLHOLE COLLAR LOCATION
- INFILL DRILLHOLE COLLAR LOCATION
- SHAFT DRILLHOLE COLLAR LOCATION
- CURRAGH RESOURCES INC
- PELLY RIVER MINES
- KERR-ADDISON/CNR



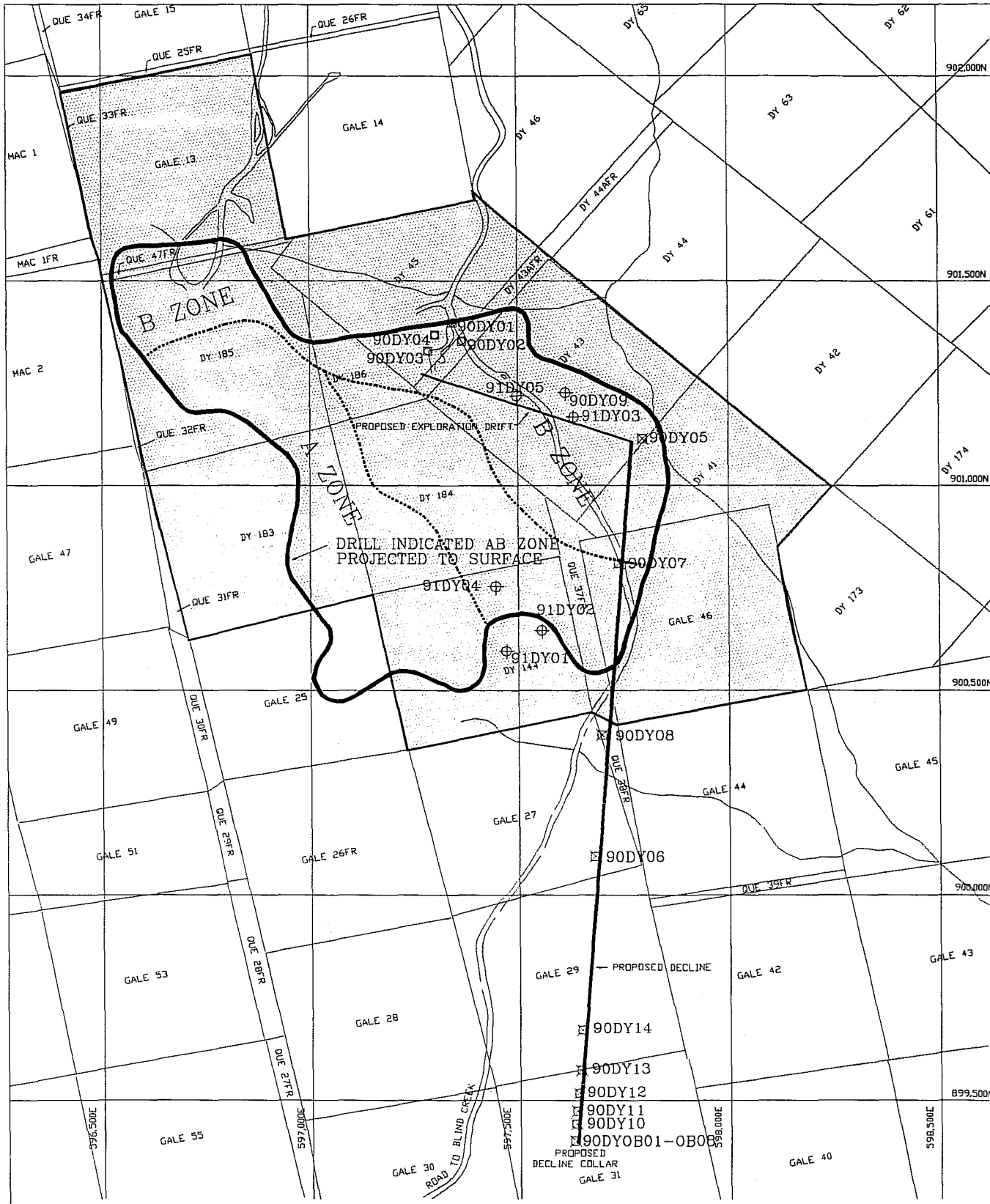
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REVISIONS:		

Curragh Resources Inc.
DY PROPERTY
EXPLORATION POTENTIAL

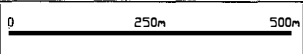
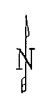
REPORT No: WHB103 FIG. No: 10
 Drawn by: C.V.R. Date: OCT 21, 91 N.T.S. 103k3
 Drawing No: FILE: DYMRMAP

LEGEND:

ARROW INDICATES EXPLORATION POTENTIAL



DRILL INDICATED AS ZONE PROJECTED TO SURFACE



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DY PROPERTY

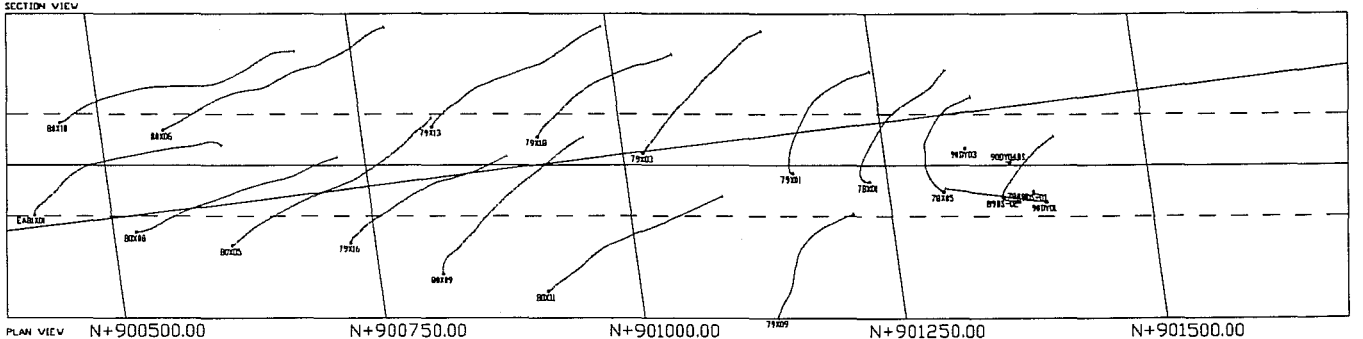
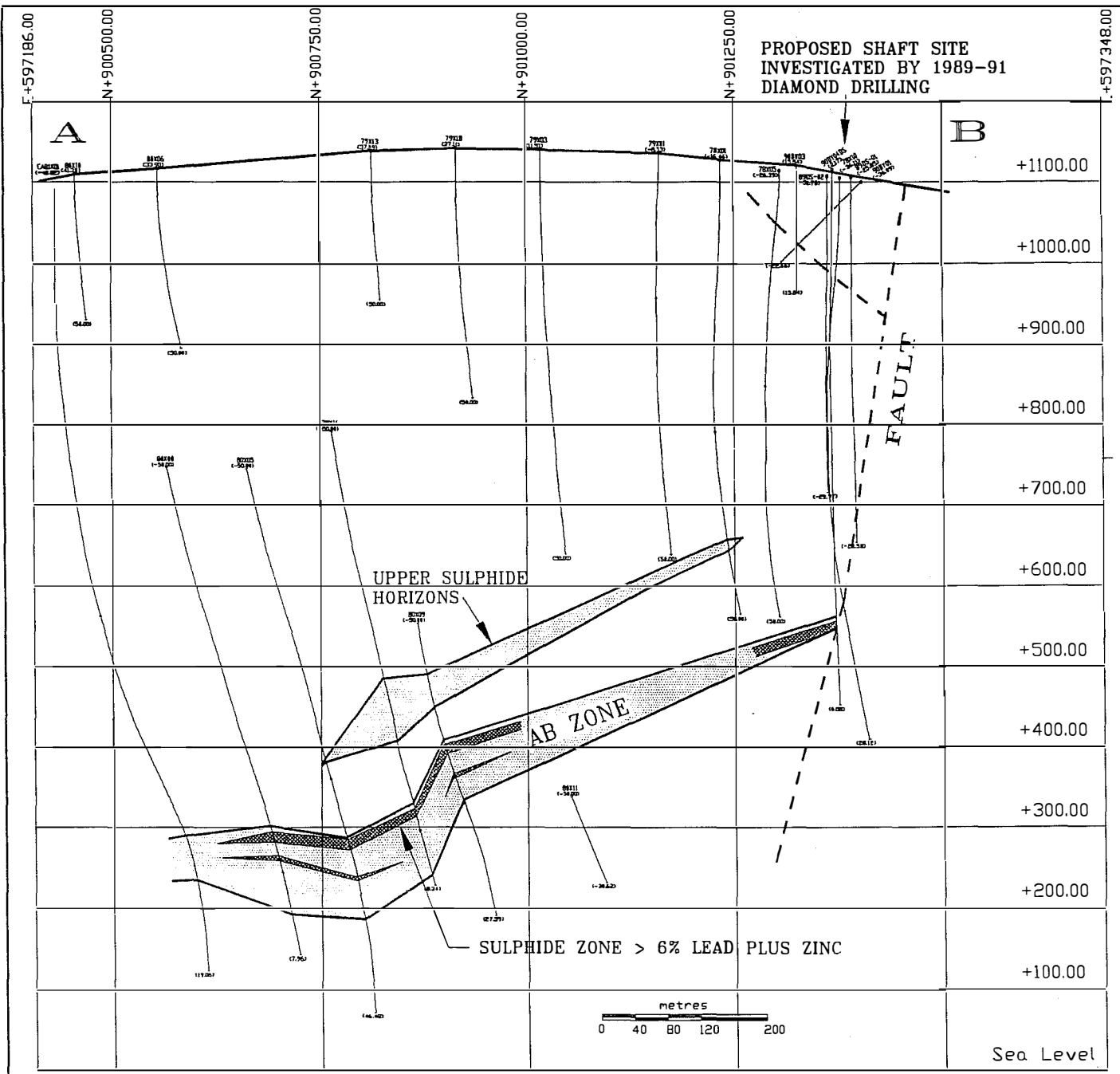
DY AREA - MINING LEASE

REPORT No:	WHB103	FIG No:	3
Drawn by:	JCN	Date:	JUNE 5, 1991
Scale:		N.T.S.	1:65K3
Drawing No:	FILE: DYMRMAP		

LEGEND:

- DECLINE DRILLHOLE COLLAR LOCATION
- INFILL DRILLHOLE COLLAR LOCATION
- SHAFT DRILLHOLE COLLAR LOCATION

MINING LEASE



Curragh Resources Inc.
FIGURE 6

DY DEPOSIT
VERTICAL SECTION
SHAFT LOCATION STUDY