

CURRAGH RESOURCES  
FARO MINE START-UP

006760

MONTHLY PROGRESS REPORT NO. 3  
(period ending February 28, 1986)

CURRAGH RESOURCES  
MONTHLY PROGRESS REPORT

I N D E X

- 1.0 EXECUTIVE SUMMARY
- 2.0 PRODUCTION STATISTICS
- 3.0 REVENUE DEVELOPMENT
- 4.0 CAPITAL PROJECTS
- 5.0 MINE AND MILL OPERATIONS



1.0 EXECUTIVE SUMMARY

1.0 EXECUTIVE SUMMARY1.1 Mine Production

The mine production for the month of February and Year-to-Date is summarized below:

<u>Item</u>	<u>Actual</u>	<u>Plan</u>	<u>Variance</u>	<u>%</u>
February:				
Shovel Production (BCY)*	673,059	680,000	(6,941)	(1.0)
Drill Production	46,394			
Year-to-Date:				
Shovel Production (BCY)*	882,631	1,056,000	(173,369)	(16.4)
Drill Production	67,664			

\* Surveyed Values

Mining operations depended upon the use of two shovels and one drill for most of the month. The overhaul of the diesel-powered M-4 drill was completed by mid-February. Production volumes increased during the month as additional haulage trucks were rehabilitated and brought into service.

All mining activities were concentrated in Phase A. The first pattern in the JB zone was drilled by the end of the month.

1.2 Mine Equipment Maintenance

No. 4 drill was commissioned on February 17th. No. 8 shovel was out of service in aggregate for a period of 2 1/2 weeks during the month. Note that drills and shovels are designated by equipment number. Drill numbers 04 and 06 and shovel numbers 6, 7 and 8 are currently operational.

## 1.2 (Cont'd)

The slow build-up of skilled heavy duty mechanics continued to adversely affect the availability of equipment. As additional trucks are commissioned, the problems caused by the low skills level will be exacerbated. Steps are being taken to utilize the services of experienced temporary contract mechanics. These personnel will be retained for a limited period of time to work with and train the Altus employees. The program will be in effect by mid-March.

## 1.3 Mill

Constraints imposed by the shortage of accommodation in January resulted in most of the mill capital programs being delayed. Progress in February has managed to recapture most of the January delay.

During the month of February, maintenance and project crews were recruited and commenced work in all areas of the plant.

Detailed inspections of the process and service equipment have indicated no major unforeseen problems. With an accelerated buildup of the manpower schedule, the startup of the mill on June 1st is assured. By month end, approximately 23 percent of the rehabilitation maintenance work had been completed.

## 1.4 Project Services

Work was carried out to re-establish systems and procedures which could be used to generate a meaningful cost report for the month of February and for the project to date. This work was completed on schedule.

## 1.4 (Cont'd)

Work was carried out in February to re-establish the computerized processing of work orders and purchase orders using the HP 3000. Obsolete data was off-loaded from the system and retained in hard copy form. With the availability of additional disc space, the Mintec mine design system can be run on the HP 3000 by the end of February.

A janitorial contract and a security contract were awarded in February.

1.5 Personnel

Manpower levels at the beginning and end of February are summarized below:

<u>Affiliation</u>	<u>Jan. 31</u>	<u>Feb. 28</u>	<u>Net Change</u>
Curragh	0	3	+ 3
Kilborn	16	18	+ 2
Altus	109	186	+ 77
KAM	40	37	- 3
Others	14	13	- 1
Consultants	-	1	+ 1
Contractors	-	3	+ 3
Total	<u>179</u>	<u>261</u>	<u>+ 82</u>

Three members of Curragh's management started work in February. Mr. L. Beitz arrived in Faro to become the Director of Personnel and Industrial Relations. Mr. K. Johnson assumed the role of Director of Materials Control responsible for all warehousing and purchasing activities. Mr. A. Penno, Site Controller, arrived on site at month end.

## 1.5 (Cont'd)

There were six reported accidents in February of which three involved a loss of time.

A supervisors safety manual was issued in February. In addition, a staff and hourly Safety Committee was formed and the first property inspection was conducted.

1.6 Kilborn Design and Management Services

In Toronto, engineering of the Rose Creek Water Dam continued during February, with a preliminary design report issued at month end for submission to the Yukon Water Board. Approval was given to Debrocky-Seatech for the initial data collection phase of the environmental baseline study at Skagway.

Overall engineering progress in the Vancouver office regarding design work on capital projects reached 80% by month end. During February, an additional 28 engineering quotation requests were issued, bringing the total EQR's to 43. Recommendations to purchase were made on 27 equipment items and 18 purchase orders were placed.

1.7 Monthly Forecast Comparison

The forecast of costs to December 1986 has been updated to reflect actual progress to the end of February and estimates of the outstanding work.

An increase in the General and Administration account of \$1,863,000 was entirely offset by savings in other capital and operating cost areas. In comparison to the total forecast at the end of January, the current forecast shows a net decrease of \$10,000.

## 1.7 (Cont'd)

The main components of the variance during February, are shown in the following table entitled "Monthly Forecast Reconciliation - Summary".

1.8 Revenue Development

The cumulative cash flow net of revenue and before financing to December 1986 is \$47.98 million. This amount represents an increase of \$2.87 million from last month's report. The increase is due to revised concentrate shipment scheduling and assumed metal prices.

## 1 BUDGET / FORECAST COMPARISON (\$Cdn.000's)

		JANUARY BUDGET UPDATE	FORECAST TOTAL to DEC/86	CURRENT MONTH VARIANCE	TO DATE VARIANCE
<u>CAPITAL PROJECTS</u>					
110	Mine Equipment Rehabilitation	2,640	2,333	(175)	(307)
120,130	Other Mine Projects	1,283	1,167	(112)	(116)
150,160	Mill Projects	2,870	2,737	(203)	(133)
180,190	Services & Indirects	4,488	4,203	(568)	(285)
Total Capital Projects		11,281	10,440	(1,058)	(841)
<u>OPERATING COSTS</u>					
200	Mine	26,628	25,012	(676)	(1,616)
300	Mill	16,521	16,535	(11)	14
400	Services	5,122	5,341	(169)	219
500	General & Administration	10,241	12,224	1,863	1,983
600	Road Transport	11,200	11,360	1	160
700	Port Site	2,370	2,371	1	1
800	Ocean Transport	5,603	5,603	0	0
900	Marketing / Finance	3,984	4,023	39	39
Total Operating Cost		81,669	82,469	1,048	800
TOTAL CAPITAL & OPERATIONS		92,950	92,909	(10)	(41)

## 2 FORECAST TO COMPLETE REPORT (\$Cdn.000's)

		JANUARY BUDGET UPDATE	EXPENDED TO-DATE	FORECAST TO COMPLETE	FORECAST TOTAL DEC/86
<u>CAPITAL PROJECTS</u>					
110	Mine Equipment Rehabilitation	2,440	825	1,508	2,333
120,130	Other Mine Projects	1,283	31	1,136	1,167
150,160	Mill Projects	2,870	236	2,501	2,737
180,190	Services & Indirects	4,488	627	3,576	4,203
Total Capital Projects		11,281	1,719	8,721	10,440
<u>OPERATING COSTS</u>					
200	Mine	26,628	1,739	23,273	25,012
300	Mill	16,521	324	16,211	16,535
400	Services	5,122	724	4,617	5,341
500	General & Administration	10,241	3,638	8,586	12,224
600	Road Transport	11,200	356	11,004	11,360
700	Port Site	2,370	0	2,371	2,371
800	Ocean Transport	5,603	0	5,603	5,603
900	Marketing / Finance	3,984	3,306	717	4,023
Total Operating Cost		81,669	10,087	72,382	82,469
TOTAL CAPITAL & OPERATIONS		92,950	11,806	81,103	92,909

CURRAGH RESOURCES

MONTHLY FORECAST RECONCILIATION

(\$ 000's)

SUMMARY

	<u>Amount</u>
A. Current Forecast to December 31st, 1986.	92,909
B. January Forecast to December 31st, 1986.	92,919
Variance	<hr/> (10)

Summary of Major Variances

1. Mine Equipment (168)

Current mine plans now require only one boom extension to the P&H Shovels (-\$322,000). Implementation of a tire leasing program (-\$144,000) combined with an overrun in the Wabco trucks reactivation and the Marian Drill rebuild (\$+298.000), makes up the remainder of the variance.

2. Mill Capital Projects (518)

A re-estimate of all mill capital projects based on more detailed information and a reduction of contingencies has resulted in a forecast savings of \$518,000.

3. Tailings Dam (490)

The revised plan for tailings deposition permits delaying a major portion of tailings dam construction to 1987.

4. Port Site 100

Current estimates of rehabilitation work to the existing facilities and the acquisition of non-leased capital equipment, require the forecast to be increased from \$450,000 to \$550,000.

5. Mine Operations (455)

Due primarily to the conversion of the inventory supply account to a tire lease arrangement, and a reduction of two tiremen, the labour and material accounts show a forecast decrease of \$455,000.

6. Mine Maintenance Supplies (130)

The mine maintenance supply costs continue to underrun the previous forecast, due in part, to reductions in warehouse inventory. Further inventory cash flow benefits are under study.

7. Fuels and Lubricants (359)

A reduction in diesel fuel supply costs from \$.39/litre to \$.36/litre in the last six months of 1986 has resulted in a forecast savings of \$180,000.

In addition, the negotiation of a favourable coal supply contract has reduced the supply unit cost from \$105/tonne to \$80/tonne, for a savings of \$179,000.

8. General and Administration 1,913

Pursuant to a review of manpower staffing in each of the Curragh offices, the estimates of salaries and benefits were revised to reflect the current plans. The net change was an increase of \$1,021,000. The Faro town and housing forecasts have also increased (\$+652,000) to reflect the latest plans for mortgage and housing expenditure.

The janitorial services contract is now included in the G&A Faro account (\$+240,000). This was off-set by reductions in the appropriate mine and mill labour accounts.

9. Other 97

The net effect of all other forecast adjustments is an increase of \$97,000.

Total Variance this month. 

---

 (10)



2.0 PRODUCTION STATISTICS

2.0 PRODUCTION STATISTICS

The stripping program which was initiated in mid-January, has begun to stabilize with respect to the primary labour unit costs. The following table shows a comparison of the budget unit costs for 1986 to the unit costs to the end of February.

Although the drilling and blasting, and the loading unit costs are still relatively high compared to the budget, the hauling rate for the labour component is currently at the budget figure.

UNIT COST COMPARISON1. January Budget Update

<u>Description</u>	<u>Quantity</u> (000's tonnes)	<u>Budget \$</u> (\$000's)	<u>Unit Cost</u> (\$/tonne)
Drilling and Blasting	26,806	475	.018
Loading	26,806	624	.023
Hauling	26,806	1,755	.065

2. Performance to February 28/86.

<u>Description</u>	<u>Quantity</u> (000's tonnes)	<u>Cost</u> <u>To Date</u> (\$000's)	<u>Unit Cost</u> (\$/tonne)
Drilling & Blasting	1,818	60	.033
Loading	1,818	60	.033
Hauling	1,818	114	.063



3.0 REVENUE DEVELOPMENT

### 3.0 REVENUE DEVELOPMENT

#### 3.1 Introduction

Sections 4.0 and 5.0 of this report deal with expenditure flows for the capital and operating cost accounts. The application of lag factors to the expenditure flows combined with projections of net smelter returns, results in a projection of cash requirements before financing. The data contained in this section of the progress report is a snap-shot of cash requirements before financing as of the end of February, 1986.

As shown on the cash summary report, the cumulative cash flow net of revenue and before financing to December 1986 is \$47.98 million. This amount represents an increase of \$2.87 million from last month's report. The increase is due to revised concentrate shipment scheduling and assumed metal prices.

\*\*\*\*\*  
 CUPPASH RESOURCES CORPORATION - SUMMARY REPORT PUN: 26.2.1  
 \*\*\*\*\* 21-MAR-96 \*\*\*\*\*

TO DATE	1985 TOTAL	1986 MAR.	1986 APR.	1986 MAY	1986 JUNE	1986 JULY	1986 AUG.	1986 SEPT.	1986 OCT.	1986 NOV.	1986 DEC.	1986 TOTAL	
***** CASH BEFORE FINANCES *****													
CASH BEFORE FINANCES													
-----													
CAPITAL PROJECTS	0	1719	528	717	1887	1513	1763	836	617	318	234	71	8585
MINE	0	1739	782	1051	1551	1956	2129	2361	2530	2532	2494	2520	20016
MILL	0	324	209	333	573	741	300	1415	1541	1720	2168	3069	12729
SERVICES	0	724	50	130	159	140	349	395	457	634	745	737	3857
GEN. & ADMIN.	0	3638	400	1039	1324	946	843	975	599	531	900	612	8376
ROAD TRANSPORTATION	0	356	119	131	51	731	1080	1137	2093	1657	1314	1836	10809
PORT SITE	0	0	0	0	11	11	191	231	461	461	281	451	2158
OCEAN TRANSPORT	0	0	0	0	0	53	53	474	1095	1516	1514	1095	5901
REVENUES & FINANCIAL	0	3305	0	57	17	17	-4171	17	-4613	-3523	-7266	-10631	-36162
TOTAL	0	11906	2189	3543	5780	6118	3043	7941	4375	-144	2385	-150	35170
CUMULATIVE (\$ MM)	11.81	11.81	13.99	17.54	23.32	29.43	32.48	40.42	45.29	45.15	46.14	47.38	47.98

TOTAL 1985 + 1986	
10	304
21	755
13	053
4	581
12	014
11	165
5	801
-32	856
<hr/>	
47	975

EMRAGH RESOURCES CORPORATION - SUMMARY REPORT RUN: 36.2.1 21-MAR-86

	TO DATE	1985 TOTAL	1986 MAR.	1986 APR.	1986 MAY	1986 JUNE	1986 JULY	1986 AUG.	1986 SEP.	1986 OCT.	1986 NOV.	1986 DEC.	1986 TOTAL	TOTAL 1985+1986
***** EXPENDITURES *****														
CAPITAL PROJECTS	0	1719	1571	1793	2360	1093	868	451	243	119	225	0	9721	10440
MINE	0	1719	1585	1842	2048	2177	2548	2542	2462	2532	2479	2557	22772	24511
MILL	0	0	280	433	773	1436	1560	1731	2169	3059	2332	2379	16212	16536
SERVICES	0	0	190	190	153	349	395	457	624	746	737	760	4517	5341
GEN. & ADMIN.	0	3638	1042	978	1291	822	380	715	615	553	397	532	8586	12224
ROAD TRANSPORTATION	0	0	119	141	51	757	1093	1190	2123	1650	1924	1833	10385	11241
PORT SITE	0	0	0	0	11	11	191	281	461	451	281	461	2153	2158
OCEAN TRANSPORT	0	0	0	0	53	53	474	1096	1515	1514	1095	1515	7316	7316
REVENUES & FINANCIAL	0	3306	57	17	17	17	-4525	-5768	-11454	-10339	-6463	-10857	-50455	-47159
TOTAL	0	11936	4344	5444	6763	6715	3472	1695	-1223	255	3503	-671	30802	42608
CUMULATIVE (\$ MM)	11.81	11.81	16.65	22.09	28.86	35.57	39.04	40.74	39.51	39.78	43.28	42.61	42.61	

NOTES:

1. INCLUDES \$500,000 INVENTORY CREDIT (MAR-MAY '86)
2. CONCENTRATE STORAGE & TRANSPORT COSTS RECALCULATED IN MORE DETAIL IN FINANCIAL MODEL.
3. INCLUDES NET SMELTER RETURN CALCULATIONS.

NOTE 1  
NOTE 2  
NOTE 2  
NOTE 3

\*\*\*\*\*  
 CURPAGH RESOURCES CORPORATION - SUMMARY REPORT RUN: 86.2.1 21-MAR-86  
 \*\*\*\*\*

	1985	1985	1985	1986	1986	1986	1986	1986	1986	1986	1986	1986	1986
TO DATE	TOTAL	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEP.	OCT.	NOV.	DEC.	TOTAL	
***** PRODUCTION *****													
MINING DATA SUMMARY													
TONNES COPPER	0	0	0	0	0	130	160	200	300	0	335	346	1471
TONNES OXIDE	0	0	0	0	0	0	0	0	346	0	0	0	346
TONNES WASTE	0	0	2250	2175	2250	2175	2470	2440	2310	2300	2190	2254	24989
TOTAL TONNES X 1000	0	0	2250	2175	2250	2305	2630	2640	2610	2646	2525	2600	26806
MILLING FEED DATA SUMMARY													
MILL FEED DMT X 1000	0	0	0	0	0	130	160	200	300	346	335	346	1817
CONCENTRATE SUMMARY													
ZINC CONC. PRODUCED DMT	0	0	0	0	0	10936	13525	17077	29315	24566	28500	26272	150242
ZINC CONC. SHIPPED DMT	0	0	0	0	0	0	10704	17273	28861	30471	18597	30452	135369
LEAD CONC. PRODUCED DMT	0	0	0	0	0	3189	10477	9126	18120	12041	14312	14436	36751
LEAD CONC. SHIPPED DMT	0	0	0	0	0	0	7996	10777	17389	15279	9453	15235	78681
NET SMELTER RETURN (\$'000)													
ZINC CONC. TO EUROPE	0	0	0	0	0	0	0	3178	3312	3211	3642	3656	17000
ZINC CONC. TO JAPAN	0	0	0	0	0	0	1921	0	2239	2138	0	2435	6834
LEAD CONC. TO EUROPE	0	0	0	0	0	0	0	3779	3697	3141	3003	2974	16594
LEAD CONC. TO JAPAN	0	0	0	0	0	0	2851	0	2504	2137	0	2024	9520
TOTAL \$'000	0	0	0	0	0	0	4771	6957	11755	10677	6645	11140	51947

\*\*\*\*\*  
 CURRAGH RESOURCES CORPORATION - SUMMARY REPORT RUN: 96.2.1  
 \*\*\*\*\*  
 21-MAR-86

	1987 1ST Q	1987 2ND Q	1987 3RD Q	1987 4TH Q	1987 TOTAL	1988	1989	1990	1991	1992	TOTAL
*****											
CASH BEFORE FINANCING											
*****											
CASH BEFORE FINANCING											
-----											
CAPITAL PROJECTS	323	596	584	180	1684	0	0	0	0	0	11983
MINE	7553	7820	7394	7906	31279	2340	0	0	0	0	55974
MILL	7037	5997	7051	7084	28169	3435	0	0	0	0	44717
SERVICES	2231	2144	2113	2205	8693	749	0	0	0	0	14023
GEN. & ADMIN.	1741	2200	1421	2236	8608	205	0	0	0	0	20227
ROAD TRANSPORTATION	5771	5291	5995	5912	23969	21234	22379	19850	13037	8588	119122
PORT SITE	1395	1395	1125	1335	5510	4770	4950	4650	2700	1980	25913
OCEAN TRANSPORT	4586	4507	3313	4263	17369	15326	16081	13425	9156	6484	84242
REVENUES & FINANCIAL	-33501	-35447	-34061	-32039	-135049	-132051	-134350	-110384	-77594	-53313	-675597
TOTAL	-2759	-3396	-3650	-858	-10663	-82733	-90940	-74050	-92699	-36261	-299380
CUMULATIVE (\$ MM)	45.22	41.32	38.17	37.31	37.31	-45.42	-136.35	-210.42	-253.12	-299.38	-299.33



\*\*\*\*\*  
 CURRAGH RESOURCES CORPORATION - SUMMARY REPORT RUN: 86.2.1  
 \*\*\*\*\*

21-MAR-86

	1987 1ST Q	1987 2ND Q	1987 3RD Q	1987 4TH Q	1987 TOTAL	1988	1989	1990	1991	1992	TOTAL
***** PRODUCTION *****											
MINING DATA SUMMARY											
TONNES ORE	1004	1016	1027	1027	4074	4074	4074	2361	0	0	16054
TONNES OXIDE	0	0	0	0	0	0	0	0	0	0	343
TONNES WASTE	8794	8891	8989	8939	35563	16320	7949	2021	0	0	86952
TOTAL TONNES X 1000	9798	9907	10015	10016	39737	23404	12023	4382	0	0	103352
MILLING FEED DATA SUMMARY											
MILL FEED DMT X 1000	1004	1016	1027	1027	4074	4074	4074	4074	4074	2161	24348
CONCENTRATE SUMMARY											
ZINC CONC. PRODUCED DMT	85155	86157	82522	83017	336351	305708	328355	285938	136710	123992	1733794
ZINC CONC. SHIPPED DMT	93711	86371	70308	83117	337907	313094	330909	280047	135919	138014	1722063
LEAD CONC. PRODUCED DMT	42315	34231	49046	49046	195288	178049	181963	143576	100118	62701	948446
LEAD CONC. SHIPPED DMT	47229	53879	41892	52133	195143	182456	193441	140703	94581	67686	942690
NET SMELTER RETURN (\$'000)											
ZINC CONC. TO EUROPE	12624	11669	8118	12631	45043	45393	46307	39755	25114	15323	232933
ZINC CONC. TO JAPAN	9555	4001	8343	8647	33646	29258	31720	26555	17222	13172	159416
LEAD CONC. TO EUROPE	8796	9935	6717	10405	35913	35836	35502	26607	19355	12490	183343
LEAD CONC. TO JAPAN	5785	5801	6352	7072	26711	22798	24141	19100	13484	10609	125363
TOTAL (\$'000)	76761	36467	30031	38755	141313	133345	137669	110017	75581	51593	701566



4.0 CAPITAL PROJECTS

#### 4.0 CAPITAL PROJECTS

##### 4.1 INTRODUCTION

This section of the progress report deals mainly with the mine equipment reactivation, pit dewatering and drainage, and capital projects for the mine, mill and service areas. In relation to the expenditure flow forecasts, the following work covers Area 100.

##### 4.2 HAULAGE FLEET

With all of the Euclid trucks reactivated in January, the remaining capital work consists of box rebuilds. This work is scheduled to start in March.

The reactivation of the Wabco fleet progressed during February (5 trucks commissioned at month end) at a slower than expected rate due to a shortage of qualified heavy duty mechanics. At the current reactivation rate of one truck every 1-1/2 - 2 weeks, the program is estimated to continue through May. The Wabco engine rebuild and upgrade activity commenced during February. Although current expenditure flows show this work to be complete by end of July, engines will be upgraded as required through 1986 in a manner consistent with the regular truck maintenance schedule.

##### 4.3 DRILLS AND SHOVELS

The Marion diesel drill (# 04) overhaul was completed in mid-February and after a few days resolving shake-down problems, commenced production on a consistent basis. The Marion electric drill (# 06) which has been in production for several weeks is scheduled for an overhaul in late March.

All three P & H 2100 shovels (# 06, 07 and 08) have been reactivated and are in production. The Marion shovel (# 05) is scheduled for major overhaul and operation in May/June, 1986.

#### 4.4 PIT DEWATERING AND DRAINAGE

Engineering activities progressed to design the pit dewatering system. By month end all of the necessary pipe and equipment had been placed on order. The new system will be in operation by mid-April, pumping approximately 4700 gpm from the pit.

#### 4.5 MILL CAPITAL AND MAINTENANCE WORK

The mill rehabilitation program is proceeding well. Although slightly behind schedule due to the delay in commencing the program, all of the necessary activities will be complete to permit a mill startup on June 1, 1986.

The following lists the principal capital projects and mill maintenance activities which were carried out in February in each area.

##### Crushing

- Work proceeded to remove ice and make clean the primary crusher basement.
- All Carman feeders at the bottom of the waste ore bins were removed in readiness for chute modifications.
- Modifications and routine repairs were effected to all the vibrating screens.
- Conveyor counter weights were replaced and routine maintenance on all conveyors was performed.
- The fine crushing plant crane was overhauled.
- The secondary and tertiary crusher lubrication systems were checked and commissioned.

### Grinding

- All conveyor drives were checked out.
- Initial mill inspections were completed.
- Discharge trunnion liner was removed from No. 5 ball mill.

### Flotation

- The flotation pumps were cleaned, repacked, lubricated and tested.
- All pump boxes were cleaned.

### Dewatering

- Work commenced to commission the vacuum pumps. All pumps could be turned by hand.
- The dryer cleanout was 75 percent complete by month end in preparation for the installation of new flights.
- Mechanical and electrical refurbishing of the coal crushing facilities. Coal crushing commenced at month end.

### Services

- One permanent screw compressor was repaired and commissioned.
- Repairs to the domestic water system were virtually completed by month end. Repairs to the process water system were carried out.
- A fresh water diversion pipe was installed across the tailings pond to avoid glaciation.

- A temporary tailings line to Faro Creek was installed.
- The installation of the new sprinkler system over all belt conveyors was 20 percent complete by month end.
- Extensive relamping activities continued during February.
- Motor checks were carried out in all areas of the plant. The cleaning and commissioning of grinding mill motors was 80 percent complete.
- A thorough cleanup of all MCC rooms was 80 percent complete by month end. A general clean-up of all cable trays is proceeding.
- Two instrument technicians organized the instrumentation shop and made preparations to commence work on projects and routine loop checks and instrument calibration.

#### 4.6 FRESH WATER RESERVOIR

Studies were commenced to determine the most practical and economic means of constructing the modifications to the water dam. The study will be completed in March.

#### 4.7 MILL REHABILITATION SCHEDULE

The following schedule depicts the manpower requirements to achieve completion of the mill capital projects and rehabilitation maintenance program prior to start-up June 1, 1986. This summary manpower schedule has been derived from a detailed examination of each capital project and maintenance activity in the mill.

2,00 <== No. of ManWeeks

LEGEND : Engineering : : : : , Equip.P.O.'s † , Delivery XXXX , Delivered On Site ‡ , Construction == ==

DESCRIPTION	W.O.†	PROJ.‡	M.WEEKS	JANUARY					FEBRUARY					MARCH					APRIL					MAY					JUNE				
				27	3	10	17	24	3	10	17	24	31	7	14	21	28	5	12	19	26	2	9	16	23	30							
SCHEDULE SUMMARY																																	
CRUSHING			6.0 GEN	0.0	0.0	0.0	0.0	0.0	0.0	2.0	2.0	0.0	0.0	0.0	0.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
			71.7 MECH	0.0	0.0	0.5	0.5	0.0	0.0	0.0	4.0	8.5	11.2	12.5	10.7	10.4	5.4	3.3	2.7	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
			0.0 PIP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
			9.2 ELEC	0.0	0.0	0.0	0.0	0.0	1.1	1.1	1.1	0.8	0.6	0.6	0.6	0.6	0.9	0.7	0.4	0.4	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
GRINDING			73.3 GEN	3.3	3.3	3.3	3.3	0.0	5.0	5.0	5.0	5.0	7.5	7.5	7.5	7.5	5.0	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
			65.0 MECH	0.0	2.0	6.5	7.5	7.7	7.7	12.6	4.5	2.1	0.0	0.0	0.0	2.0	4.0	4.4	4.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
			0.0 PIP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
			10.7 ELEC	0.0	0.0	0.0	0.0	0.0	1.4	0.6	0.6	0.6	0.9	0.9	0.9	0.9	0.7	0.7	0.7	0.7	0.7	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
FLOTATION			19.0 GEN	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.0	4.0	4.0	6.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
			47.1 MECH	0.0	2.2	2.2	2.2	2.0	7.0	3.1	1.0	2.3	1.7	1.5	2.0	2.0	6.0	4.0	4.0	4.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
			16.0 PIP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.0	4.0	4.0	4.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
			7.6 ELEC	0.0	0.0	0.0	0.0	0.0	0.7	1.1	0.7	0.7	0.8	0.8	0.8	0.8	0.4	0.2	0.2	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
DEWATERING			0.7 GEN	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
			62.2 MECH	0.0	0.0	0.0	2.0	0.0	2.0	5.9	7.3	12.8	7.7	7.7	5.0	5.7	2.3	2.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
			40.0 PIP	0.0	0.0	0.0	0.0	0.0	0.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
			31.2 ELEC	0.0	0.0	0.0	0.0	0.0	0.9	1.2	0.9	0.9	0.9	0.7	0.7	0.7	3.7	5.1	5.1	5.2	5.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
LOADOUT, RECEIVING & REAGENTS			28.0 GEN	0.0	0.0	0.0	0.0	4.0	0.0	0.0	0.0	0.0	0.0	2.0	6.0	6.0	6.0	4.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
			68.7 MECH	0.0	0.0	0.0	0.0	1.4	2.0	2.0	2.0	4.0	0.0	0.0	1.3	8.0	8.0	9.0	8.0	8.0	8.0	7.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
			2.0 PIP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
			10.4 ELEC	0.0	0.0	0.0	0.0	0.0	0.5	0.5	0.5	0.5	0.5	0.0	0.0	0.0	0.0	0.4	1.5	2.0	2.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
PLANT GENERAL			42.0 GEN	0.0	0.0	0.0	0.0	0.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
			24.0 MECH	0.6	1.2	0.7	0.7	0.0	5.2	4.0	6.0	0.0	0.7	0.0	0.0	0.0	2.0	3.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
			79.5 PIP	1.5	3.0	3.0	7.0	5.0	5.0	13.0	11.0	11.0	10.0	8.0	8.0	8.0	8.0	12.0	12.0	8.0	4.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
			40.4 ELEC	0.0	0.0	0.0	0.0	0.0	2.9	2.8	3.3	3.0	2.7	2.8	2.8	2.7	2.6	4.5	2.7	2.7	2.5	2.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
TOTAL			169.0 GEN	3.3	3.3	3.3	3.3	4.1	8.1	10.1	10.1	8.1	10.5	16.5	20.5	22.5	20.0	13.0	3.0	3.0	3.0	3.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
			338.8 MECH	0.6	5.4	9.9	12.9	11.1	23.9	27.5	24.8	29.7	21.2	21.7	19.0	28.1	27.8	25.7	20.7	14.0	8.0	7.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
			137.5 PIP	1.5	3.0	3.0	7.0	5.0	5.0	13.0	11.0	11.0	10.0	8.0	8.0	8.0	8.0	12.0	12.0	8.0	4.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
			109.4 ELEC	0.0	0.0	0.0	0.0	0.0	7.5	7.3	7.0	6.3	6.4	5.7	5.7	5.6	8.3	11.6	10.5	11.2	11.3	4.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
TOTAL			754.7	5.4	11.7	16.2	23.2	20.3	44.5	58.0	52.9	55.2	48.1	51.9	53.2	64.2	64.0	62.3	46.2	36.2	26.3	14.9	0.0	0.0	0.0	0.0	0.0	0.0					

## 9 CAPITAL COST REPORT (\$Cdn.000's)

		JANUARY					
		BUDGET	COMMITTED	EXPENDED	TOTAL	CURRENT	VARIANCE
		UPDATE	TO DATE	TO DATE	TO DEC/86	VARIANCE	TO DATE
<hr/>							
MINE PROJECTS							
<hr/>							
111,112	Truck Rehabilitation	1,288	472	298	1,275	10	(13)
113-115	Other Equipment Rehabilitation	1,352	528	527	1,058	(185)	(294)
121	Pit Stabilization	689	3	3	704	15	15
122	Gravel Crusher	220	0	0	220	0	0
123,124	Other Mine Projects	218	28	28	243	25	25
130	Mine Indirects	156	0	0	0	(152)	(156)
<hr/>							
	Total Mine Projects	3,923	1,031	856	3,500	(287)	(423)
<hr/>							
MILL PROJECTS							
<hr/>							
150	Process Areas	2,446	127	119	2,230	(216)	(216)
160	Other Mill Projects	424	121	117	507	13	83
<hr/>							
	Total Mill Projects	2,870	248	236	2,737	(203)	(133)
<hr/>							
SERVICES PROJECTS							
<hr/>							
181	Tailings Impoundment	1,200	8	7	640	(490)	(560)
182	Water Reservoir	875	0	0	875	0	0
183	Coal Handling	36	2	2	36	0	0
184	Bulk Reagent Station	100	0	0	100	0	0
185	Sustaining Capital	147	0	0	0	(150)	(147)
<hr/>							
	Total Services Projects	2,358	10	9	1,651	(640)	(707)
<hr/>							
OTHER CAPITAL COSTS							
<hr/>							
191	Port Site Unloading	450	0	0	550	100	100
192	Camp Facilities	160	285	216	482	10	322
193	Travel & Subsistence	1,067	300	300	1,120	15	53
194	Other Contractor Indirects	453	131	102	400	(53)	(53)
<hr/>							
	Total Capital Indirects	2,130	716	618	2,552	72	422
<hr/>							
	TOTAL CAPITAL PROJECTS	11,281	2,005	1,719	10,440	(1,058)	(841)
<hr/>							

BUDGET/FORECAST RECONCILIATION

CAPITAL PROJECTS - DETAILS

(\$ 000's)

	<u>Amount</u>
Current Forecast to Dec. 31/86	10,440
January Progress Report forecast of Capital Projects to Dec. 31/86	11,498
	-----
Variance	(1,058)

Variance Analysis

110 Mine Equipment

Reactivation of the Wabco Trucks 152  
has progressed at a slower than expected rate  
and is costing more per truck than originally  
estimated.

A tire leasing program will replace the concept (144)  
of purchasing tires and maintaining them with  
Curragh labour. Accordingly, the provision for  
the initial purchase of Wabco tires has been  
deleted from the listing of capital projects.

The rebuild of the Marion diesel drill was 146  
completed in February. The final cost overran  
the original estimate by \$146,000.

Current mine plans for 1986 now require only (322)  
one boom extension on the P & H Shovels.

If this work is proven necessary it will be  
done in late 1986.

Other small value forecast adjustments. ( 7)

---

Total Mine Equipment (175)

150 Mill Start-up Projects (216)

The estimated costs for the capital projects in the  
mill process areas, have been reforecast based on  
progress of engineering design, vendor quotations,  
field checking of drawings and on-going mill  
maintenance activities.

132/

185 Contingency (302)

Allowances for contingency on mine and mill  
reactivation work, have been reduced based on the  
advanced state of engineering design relating to these  
capital projects.

181 Tailings Impoundment (490)

On the basis of recent stage storage calculations  
and tailings deposition planning, at least half of  
the planned 1986 expenditures for Intermediate Tailings  
Dam raising and road construction, can be delayed until  
1987. The remaining 1986 forecast allows for access  
roads for tailings pipeline - winter operations, and for  
a nominal three metre dam raising to maintain freeboard.

191 Port Site

100

Current estimates of rehabilitation work to the existing facilities and the acquisition of non-leased capital equipment, indicate a forecast increase of approximately \$100,000 to \$550,000.

Other

Miscellaneous forecast adjustments

25

Total Capital Projects

—————  
(1,058)

Account Number	Description	Expend. To-Date	Expend. by Month										Total 1986	Previous Total	Variance Jan/Feb.86	
			Mar-86	Apr-86	May-86	Jun-86	Jul-86	Aug-86	Sep-86	Oct-86	Nov-86	Dec-86				
100	CAPITAL PROJECTS															
110	Mine Equipment Reactivation															
111	Trucks - Euclid															
001	Reactivate trucks	74												74	72	2
002	Euclid box rebuilds	1	21	14	20									56	56	0
	Total for Account 111	75	21	14	20	0	0	0	0	0	0	0	0	130	128	2
112	Trucks - Wabco															
001	Reactivate Wabco trucks	175	20	20	20									235	83	152
002	Wabco engine rebuild & upgrade	48	221	221	221	112	64							887	887	0
003	Wabco tires (initial purchase)	0												0	144	(144)
004	Technical assistance	0	12	11										23	23	0
	Total for Account 112	223	253	252	241	112	64	0	0	0	0	0	0	1,145	1,137	8
113	Drills															
001	Marion diesel rebuild	416												416	270	146
002	Marion electric overhaul	16												16	14	2
003	Marion boom extension	0												0	0	0
004	Technical assistance	0												0	0	0
	Total for Account 113	432	0	0	0	0	0	0	0	0	0	0	0	432	284	148
114	Shovels															
001	Reactivate (3) P&H 2100's	56	25											81	81	0
002	Reactivate (1) Marion	0			100	64								164	164	0
003	Bucket normalizing	0					55	28						83	83	0
004	Technical assistance	0			9	9								18	18	0
005	Boom extensions	0										161		161	483	(322)
006	Load controls	0						80						80	80	0
	Total for Account 114	56	25	0	109	73	55	108	0	0	161	0	0	587	909	(322)
115	Other Equipment															
001	Activate LB80 loader	8												8	7	1
002	Activate dozers (D355A & D9)	5												5	7	(2)
003	Activate grader	8												8	7	1
004	Light vehicle inventory	3												3	3	0
005	Other small equipment	15												15	16	(1)
006	Warehouse forklift battery	0												0	10	(10)
	Total for Account 115	39	0	0	0	0	0	0	0	0	0	0	0	39	50	(11)
	TOTAL ACCT 110 - MINE EQUIPMENT	825	299	266	370	185	119	108	0	0	161	0	0	2,333	2,508	(175)
120	Mine Start-up Projects															
121	Pit Stabilization															

Account Number	Description	Expend. To-Date	1986										Total 1986	Previous Total	Variance Jan/Feb.86		
			Mar-86	Apr-86	May-86	Jun-86	Jul-86	Aug-86	Sep-86	Oct-86	Nov-86	Dec-86					
001	Pit Stabilization Studies	3			5	10	5		3						26	26	0
002	Pit Water Diversion & Ditch	0				10	100	100							210	210	0
003	Pit Dewatering	0	126	51	51	22	12	12	26						300	300	0
004	Pit Scaling	0	65												65	50	15
005	Faro Valley Dewatering	0				20	33								53	53	0
006	Wall Dewatering	0							50						50	50	0
Total for Account 121		3	191	51	56	62	150	112	79	0	0	0	0	704	689	15	
122 001	Gravel Crusher	0	0	0	0	110	110	0	0	0	0	0	0	220	220	0	
123 001	Electrical Service Start-up	28	0	0	0	0	70	0	0	0	0	0	0	98	73	25	
124	Miscellaneous Projects																
001	Vehicle Plug-ins	0								45	50			95	95	0	
002	Computer systems	0	0	0	0	0	0	0	15	20	15	0	0	50	50	0	
Total for Account 124		0	0	0	0	0	0	0	15	65	65	0	0	145	145	0	
TOTAL ACCT 120 - MINE START-UP PROJECTS		31	191	51	56	172	330	112	94	65	65	0	0	1,167	1,127	40	
130	Mine Start-up Indirects																
131 001	Fuels Inventory (Equipment)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
132 001	Contingency on Reactivation Work	0	0	0	0	0	0	0	0	0	0	0	0	0	152	(152)	
TOTAL ACCT 130 - MINE START-UP INDIRECTS		0	0	0	0	0	0	0	0	0	0	0	0	0	152	(152)	
150	Mill Start-up Projects																
151	Crushing																
001	Primary Screen Modifications	20	24											44	30	14	
002	Chute Modifications & Repairs	5			41									46	144	(98)	
003	Conveyor Speed-up Mods.	6			56									62	124	(62)	
004	Hydraulic Rock Breaker	0		67	67									134	134	0	
005	Coarse Ore Bin Feeders	4	189											193	214	(21)	
006	Secondary Screen Modifications	0												0	21	(21)	
007	Tertiary Screen Installation	25		98										123	120	3	
Total for Account 151		60	213	165	164	0	0	0	0	0	0	0	0	602	787	(185)	
152	Grinding																
001	Mill Alignment	15	17											32	39	(7)	
002	Slot Feeder Chutes	0		50	50	50	47							197	178	19	
003	Conveyor Belt Maintenance	2			132									134	100	34	
004	Install 20" Cyclones	0	10											10	9	1	
Total for Account 152		17	27	50	182	50	47	0	0	0	0	0	0	373	326	47	

Account Number	Description	Expend. To-Date	Expend. by Month										Total 1986	Previous Total	Variance Jan/Feb.86	
			Mar-86	Apr-86	May-86	Jun-86	Jul-86	Aug-86	Sep-86	Oct-86	Nov-86	Dec-86				
153	Flotation															
001	Regrind cyclone modifications	21			60								81	80	1	
002	2n Rougher Feed Conds & Pumps	0			155								155	155	0	
003	Onstream Analyzer Maint. & Upgrade	0		50	50								100	100	0	
004	Increase Weir Height	0		57									57	0	57	
Total for Account 153		21	0	107	265	0	0	0	0	0	0	0	393	335	58	
154	Reagent Handling															
001	Lime system	2	10										12	100	(88)	
002	Soda ash system	0		43	14								57	80	(23)	
Total for Account 154		2	10	43	14	0	0	0	0	0	0	0	69	180	(111)	
155	Dewatering, Drying, and Loadout															
001	Thickener Overhaul	2		26									28	28	0	
002	Conveyor belt maintenance	2											2	0	2	
003	Coal & ash systems overhaul	1											1	0	1	
004	Piping & Pump Modifications	0	18	36	18								72	120	(48)	
005	Dryer Modifications	6	28	43	43								120	120	0	
006	Control System	7		68	75								150	150	0	
007	Concentrate Loadout Changes	1		140	279								420	400	20	
Total for Account 155		19	46	313	415	0	0	0	0	0	0	0	793	818	(25)	
TOTAL ACCT 150 - MILL START-UP PROJECTS		119	296	678	1,040	50	47	0	0	0	0	0	2,230	2,446	(216)	
160	Mill Start-up Projects - General															
161	Water Distribution															
001	Pumping & Piping Changes	28	64	60	58								210	210	0	
Total for Account 161		28	64	60	58	0	0	0	0	0	0	0	210	210	0	
162	Fire Protection															
001	Smoke detection in Control Centres	0			22								22	22	0	
002	Mechanics room insulation	0		10									10	10	0	
003	Replace oil heaters	0	20										20	20	0	
004	Auto sprinkler protection	89	116	40									245	232	13	
Total for Account 162		89	136	50	22	0	0	0	0	0	0	0	297	284	13	
TOTAL ACCT 160 - MILL START-UP PROJECTS - GEN'L		117	200	110	80	0	0	0	0	0	0	0	507	494	13	
180	Services Capital Projects															
181	Tailings Impoundment															
001	Roads, Dam ( Overhaul Costs )	0		50	50	50	100	100	50				400	890	(490)	

Account Number	Description	Expend.												Total 1986	Previous Total	Variance Jan/Feb.86
		To-Date	Mar-86	Apr-86	May-86	Jun-86	Jul-86	Aug-86	Sep-86	Oct-86	Nov-86	Dec-86				
002	Pipeline	7	39	80	80	34								240	240	0
	Total for Account 181	7	39	80	130	84	50	100	100	50	0	0	0	640	1,130	(490)
182 001	Water Reservoir															
001	Roads, Dam ( Overhaul Costs )	0	30	50	60	40	20							200	200	0
002	Spillway, Dam ( Local Borrow )	0	30	25	85	360	155	20						675	675	0
	Total for Account 182	0	60	75	145	400	175	20	0	0	0	0	0	875	875	0
183 001	Coal Handling	2	0	0	34	0	0	0	0	0	0	0	0	36	36	0
184 001	Bulk Reagent Station	0	0	50	50	0	0	0	0	0	0	0	0	100	100	0
185	Sustaining Capital - Mill															
001	Mill sustaining capital	0												0	0	0
002	Contingency on reactivation work	0												0	150	(150)
	Total for Account 185	0	0	0	0	0	0	0	0	0	0	0	0	0	150	(150)
TOTAL ACCT 180 - SERVICES CAPITAL PROJECTS		9	99	205	359	484	225	120	100	50	0	0	0	1,651	2,291	(640)
190	Capital Projects - Other															
191 001	Port Site Unloading	0	150	200	200	0	0	0	0	0	0	0	0	550	450	100
192 001	Camp Facilities	216	71	80	45	40	10	10	10	0	0	0	0	482	472	10
193	Travel & Subsistence															
001	Subsistence	228	190	125	125	90	80	30	30					898	898	0
002	Housing	0	5	5	5	5	5	5	5	4				39	39	0
003	Travel	45	25	25	24	18	7							144	144	0
004	Relocation Expense	27			8			4						39	24	15
	Total for Account 193	300	220	155	162	113	92	39	35	4	0	0	0	1,120	1,105	15
194	Other Contractor Indirects															
001	Recruiting Costs (Watson Lake)	29	18	17	16	7								87	120	(33)
002	Fixed Overheads & Profits	70	25	25	30	40	40	60						290	310	(20)
003	Contractor Insurances	3		4			3							10	10	0
004	Legal Fees	0	2	2	2	2	.2	2	1					13	13	0
	Total for Account 194	102	45	48	48	49	45	62	1	0	0	0	0	400	453	(53)
TOTAL for ACCOUNT 190 - CAPITAL PROJECTS - OTHER		618	486	483	455	202	147	111	46	4	0	0	0	2,552	2,480	72
**TOTAL ACCT 100 - CAPITAL PROJECTS**		1,719	1,571	1,793	2,360	1,093	868	451	240	119	226	0	0	10,440	11,498	(1,058)



5.0 MINE AND MILL OPERATIONS

## 5.0 MINE AND MILL OPERATIONS

### 5.1 INTRODUCTION

The mine and mill operations accounts relate to cost code areas 200-900 inclusive. All activities not related to capital projects are covered in this section of the report.

### 5.2 MINE OPERATIONS

The mine production for the month of February is summarized below:

<u>Item</u>	<u>Actual</u>	<u>Plan</u>	<u>Variance</u>	<u>Variance %</u>
Shovel Production (BCY)	673,059	680,000	(6,941)	(1.0)
Drill Production (feet)	46,394			

The production in January was 166,428 BCY short of plan due to the delay in the commencement of operations. It was hoped to reduce this shortfall in February by advancing the commissioning of the third shovel. Unfortunately, mechanical problems with the No. 8 shovel propel system precluded the use of three machines for most of the month.

Mining activity in February was limited to Phase A on the 3830 and 3870 benches. The delay in completion of No. 4 drill precluded shovel operations in the JB zone as planned. The first blast hole pattern for the sink cut was drilled in February.

There were four blasts during the month; February 6, 14, 20 and 26. At 0800 hours on March 1st, the broken and drilled waste inventory was:

Broken ore and waste	190,330 BCY
Drilled waste	287,938 BCY
	_____
Total	<u>478,268 BCY</u>

Approximately 1500 tonnes of ore were mined from the 3890 bench JB phase on February 14th. This ore was stockpiled separately but in close proximity to the oxide stockpile.

## 5.2 MINE MAINTENANCE

No. 6 and 7 shovels performed well throughout the month. No. 8 shovel was taken out of service for a total of 2-1/2 weeks while repairs were made to the propel transfer case.

In general, the support equipment gave satisfactory service.

The lack of reliable trailing cable resulted in frequent disruptions to the operation. New trailing cable was ordered and the pit power distribution system was re-designed to reduce the amount of cable required. The new system will be installed in March.

The slow build-up of qualified heavy duty mechanics continued to impede efforts to introduce effective field maintenance and preventative maintenance programs.

Preliminary enquiries were commenced to determine the feasibility of using Finning Tractor's personnel to maintain Caterpillar equipment on-site. Other alternatives under review include an equipment lease/maintenance arrangement. Detailed proposals from Finning will be received by mid-April. Komatsu has also been requested to quote on the same scope of work.

Finning Tractor personnel visited the site in February to carry out a comprehensive mechanical survey of all the Caterpillar equipment. A report will be issued by Finning which will describe the condition of each unit and the estimated expenditures required to refurbish each piece of equipment.

Negotiations are expected to be concluded on March 5th to cover the supply and on-site maintenance of tires.

### 5.3 MILL OPERATIONS

Activity in the mill during February consisted of routine maintenance and installation work on selected capital projects as described earlier in Section 4.

#### Heating Plant

The heating plant was fuelled entirely by oil in February. The average consumption of fuel was 3,150 gallons per day.

Work proceeded throughout the month to prepare for the use of coal. At the request of the Boiler Inspector, hydrostatic tests were performed on No. 1 and No. 3 generators. Both units passed the test.

Coal crushing activities which commenced at month end were hampered by large chunks of frozen material.

The heating and ventilating systems in the offices were cleaned and balanced.

#### Environmental Monitoring

Samples of the appropriate water flows were taken in accordance with the terms of the Water License.

## 5.6 PROJECT SERVICES

### Accounting

The backlog of work was reduced to an acceptable level by month end. Two temporary accounting clerks were retained pending the hiring of permanent staff. Work progressed during the month to produce meaningful monthly and project-to-date cost reports by month end. This objective was achieved.

### Purchasing

During February, 475 purchase orders were committed. The purchase orders are now being entered and printed by the HP 3000 system.

### Warehouse

The Warehouse issues were brought up to date during the month with the backlog from January also being processed onto the computer. Issue totals were 3,800 for a value of \$555,000.

One warehouseman was hired during the month on February 26th, bringing the total warehouse manpower up to 5.

### Systems

By month end the HP 3000 was being used to perform the activities listed below.

1. Work orders - number, allocation and printing.
2. Process purchase orders, receiving documents and accounts payable data.
3. Trial balance - a trial balance can be generated based upon expenditure and commitment data by cost code.

A backlog of 3,800 warehouse issues, including all backlog since November 22nd, has been entered into the system.

The Cyprus Anvil payroll system, designed specifically for the union contracts, was off-loaded. In addition, much of the historical maintenance data which was determined to be of no future value was off-loaded and is on record in hard copy form.

As a result of the system off-loading, sufficient disc space was made available to permit the use of the Mintec mine design programs on site.

#### Contracts

Two contracts were awarded during February.

<u>Contract Number</u>	<u>Description</u>	<u>Awarded To</u>
C 001	Site Security	North Site Security
C 002	Janitorial Services	Pacific Building Maintenance

### 5.7 PERSONNEL

#### Safety

There were seven personal injuries reported which warranted medical aid. Two were minor eye injuries due to the employees' failure to wear adequate protection. Improper lifting practise caused an employee to tear knee ligaments. One employee banged his shin and the injury developed complications. Two employees were hurt in separate incidents when mounting and dismounting haulage trucks.

The Staff are making a concerted effort to encourage the wearing of eye protection. A film has been ordered to assist in this regard. A safety orientation program was developed to be presented to all new hires.

The Safety Committee completed its first tour of the minesite on February 28th. Observations and suggestions originating from the Committee will be reported and widely distributed. Department Heads will be responsible to ensure that deficiencies will be corrected in their respective areas.

The new fire brigade held three regular weekly practises during the month. Of the twenty members, eleven have completed the Yukon Firefighters Level 1 course. The remaining members have acquired a good understanding of the operation of the fire truck and the use of a fire hose. The fire truck is in good shape and tested on a weekly basis. Most of the brigade members have been familiarized with the ambulance and the use of its equipment.

The first aid station is now well stocked and in compliance with the regulatory requirements.

#### Manpower

Three members of Curragh's management arrived on site in February.

Larry Beitz, Director of Personnel and Labour Relations

Ken Johnson, Director of Materials Control

Adolf Penno, Site Controller

The total manpower complements are compared below for January 31 and February 28, 1986.

<u>Affiliation</u>	<u>Jan. 31</u>	<u>Feb. 28</u>	<u>Net Change</u>
Curragh	0	3	+ 3
Kilborn	16	18	+ 2
Altus	109	186	+77
KAM	40	37	- 3
Others	14	13	- 1
Consultant	-	1	+ 1
Contractors	-	3	+ 3
	—	—	—
Total	<u>179</u>	<u>261</u>	<u>+82</u>

Yukon residents constitute 33 percent of the work force.

The Mitchell camp was commissioned on February 6th, thus alleviating the critical shortage of accommodation. By the end of the month 28 housing applications had been received and processed. Employees were moving into houses by month end.

The slow build-up of heavy duty mechanics continues to have an adverse effect on the availability of mining equipment. At month end, Altus recruiting staff were attempting to hire 10 heavy duty mechanics and 5 welders. This acute shortage of qualified personnel is having a measureable impact upon mine production statistics. The situation will further deteriorate if the equipment in use cannot be afforded the necessary preventative maintenance.

Altus has used roving recruiters and, more recently, the services of Canada Manpower in an effort to hire employees with the necessary skills.

## 5.8 GENERAL AND ADMINISTRATION - WHITEHORSE

Work continued on acknowledging job applications. Many applicants visit the office regularly to check on the status of their applications.

During February, two additional staff members commenced work in the Whitehorse office; M.H. Pelley as Vice-President Engineering and Transportation, and G. Jilson, Geologist. Five Whitehorse residents were recruited for positions at the mine - 2 clerical, 2 mechanics and one off-road truck driver. Advertisements were placed for an executive secretary for the Whitehorse office.

Other activities included organizing a plane charter for Curragh, Kilborn and Boliden personnel to inspect the port facilities and the road, and the inspection of other premises for possible office space rental and storage of geological records sent from Vancouver.

## 5.9 KILBORN - DESIGN AND MANAGEMENT SERVICES

### a) Toronto

Engineering design of the raising of the Rose Creek Water Dam continued during February. A meeting was held on February 17, 1986 to review environmental engineering subjects requiring action to obtain government approval of the dam design. A preliminary report was issued at month end for submission to the Yukon Water Board.

Proposals for the environmental baseline study at Skagway were reviewed and approval was given to Debrocky Seatech for the initial phase of data collection.

b) Vancouver

Design and drafting continued on the following capital projects.

151-007 Tertiary Screen Modifications

Support frames are ordered and will be on site March 3. Due to problems with the original supplier of the screens (Tyler) an alternative supplier for the support frames has been selected. Engineering is 100% complete.

151-002 Chute Modifications and Repairs

Site inspection of Conveyor No. 8 has confirmed that a new headchute is not required. Conveyor speed-up is being accomplished by changing the gear box ratio. These gears have been ordered. Engineering is 100% complete.

151-005 Coarse Ore Feeders

New chutework and liners have been ordered for delivery at the end of March. Engineering is complete.

152-001 Mill Alignment

Site inspection has shown that No. 3 Rod Mill and No. 4, 5 & 6 Ball mills are out of alignment. Competent machinists have been ordered to site for this work.

152-002 - Slot Feeder Overhaul

Site work has not yet commenced.

152-003 Conveyor Belt Maintenance

Head chute drawings for Nos. 9 & 13 Conveyors are substantially complete. Gears for the conveyor speed-ups are on order.

Tripper dust seals and vents are out to tender.

152-004 Install 20" Cyclones

Installation is scheduled for next month.

151-004 Rock Breaker

The machine has been purchased and consideration is now being given to the manufacturer's recommendation that a spare tip be purchased. Engineering is 100% complete.

153-001 Required Cyclone Modifications

Site modifications to the lead regrind circuit have made the need for additional cyclones redundant. Engineering to complete details of the revised circuit are in hand.

153-002 Zinc Rougher Feed Conditioners and Pumps

It has been decided to postpone the installation of the Zinc conditioners until after additional test work is done after start-up. If required later, the tanks and agitators will have to be requoted.

Design of concrete foundations has been completed. These may be installed before startup.

The pump box, knife gate valves and other miscellaneous fabricated works have been ordered.

152-003 On-stream Analyser

An estimate has been received from O.K. for the upgrade of this piece of equipment.

154-001 Lime Distribution System

A new lime feeder has been ordered. Design confirmed that the existing bin baghouse can be re-used for the pressure filling system. Engineering is 40% complete.

154-002 Soda Ash Distribution

The pump and agitator are on order. Piping design has commenced.

155-001 Thickener Overhaul

Materials to extend the feed wells and froth rings have been ordered.

154-004 Piping and Pump Modifications

Distributors, structural platforms and valves have been ordered. Engineering is complete.

155-005 Dryer Modifications

Material has been ordered for the flight modifications. Dryers have now been cleaned out. Design work on the feed to dryer No. 5 will commence in March.

#### 155-006 Control System

Panel instruments have been purchased. Quotations for the panel construction are due February 28th. Minor changes requested by site personnel will be incorporated prior to construction.

#### 161-001 Water Distribution

A field check was made against drawings produced and several anomalies were cleared up. Demolition drawings are being prepared to aid the removal of redundant pipework. Design work is 75% complete.

#### 162-004 Sprinkler Protection

Design work is now complete. Installation of the sprinkler systems is 20% complete.

### 5.10 TRANSPORTATION SYSTEM - CONCENTRATE CONTAINERS

A prototype container and lid of the proposed design, are currently being manufactured. Trimac trailer specifications are in progress and will be finalized in early March.

Estimates to refurbish the Skagway terminal were prepared during February. The Faro loadout conveyors and Skagway stacker conveyors were issued for tender with alternative pricing structures for lease arrangements. Recommendations were made for the lease of two fork lift trucks at the Skagway Terminal.

### 5.11 PROCUREMENT

During February, 28 engineering quotation requests were issued from the Vancouver office. Recommendations to purchase were issued to Curragh on 27 equipment items and 18 purchase orders were placed.

The "Inquiry Status Report" and "Record of Orders Placed", as of February 28, 1986 are attached for further details.

CLIENT: CURRAGH RESOURCES

CP AIR EXPRESS Collect

FARO MINE PROJECT

PAGE 1 OF 9

INQUIRY No. 3509-Q.	MATERIAL EQUIPMENT	BIDDERS	ISSUE DATE	DUE DATE	ACKN. DATE	Extension DATE	Date Rec'd	Recommendation		P. O. No.
								Issued	Approved	
-	Sprinkler Pipe & (162-004) Fittings	VIKING FIRE WORMALD GRINNEL UNIVERSAL SUPPLY FRYCO WESTLUND	1985 Dec. 10	1985 Dec. 12			1985 Dec. 12			00270
							Declined			
							Dec. 12			-
							Dec. 12			-
							Declined			-
M-001 (153-001)	Cyclone Assembly	TECHNEQUIP LINATEX	1986 Jan. 16	1986 Feb. 4	1986 Jan. 20		INQUIRY CANCELLED			-
					Jan. 27		JAN. 31/1986			
M-002	Vibrating Feeders	DELETED - INQUIRY NOT ISSUED.								
M-003 (151-004)	Stationary Rock Breaker	TELEDYNE ALLIED STEEL EARLS INDUSTRIES KENT AIR/THIESSEN EQUIPMENT WAJAX EQUIPMENT	Jan. 20	Feb. 4	Jan. 23 Jan. 24 Jan. 27 Jan. 27	- - Feb. 7 -	Feb. 3 Jan. 31 Feb. 7 Feb. 4	Feb. 13	Feb. 18	00281
					Jan. 27	Feb. 4	Feb. 3	Feb. 6	Feb. 6	-



CLIENT: CURRAGH RESOURCES

FARO MINE PROJECT

PAGE 3 OF 9

QUIRY No. 3509-Q-	MATERIAL EQUIPMENT	BIDDERS	ISSUE DATE 1986	DUE DATE 1986	ACKN. DATE 1986	Extension DATE	Date Rec'd	Recommendation		P. O. No.
								Issued	Approved	
9 (333)	Lime	TEXADA LIME	Jan. 23	Jan. 28	Jan. 27		Jan. 28	To be handled		
		STEEL BROS.	"	"	"		Jan. 29	from Site		
10 (Verbal) (155-006)	S.S. Flat Bar (Dryers)	B.S.C. ALLOYS	Jan. 22	Jan. 28	Jan. 22		Jan. 24	Jan. 31	Feb. 4	00272
		ATLAS ALLOYS	"	"	"		Jan. 27			-
		AVESTA ALLOYS	"	"	"		Jan. 23			-
11 (Verbal) (153-001)	TechTaylor Valve	TECHNEQUIP (VALKEM)	Jan. 22	Jan. 27	Jan. 22	-	Jan. 24	Jan. 28	Feb. 4	00273
								N.B. Changed to size 10" Feb. 26/86		
12 (151-007)	Screen Supports & Platform	NORTHERN STEEL	Jan. 30	Feb. 4	-	-	Feb. 4	Feb. 5	Feb. 7	00274
		INLET METAL	"	"	-	-	Feb. 4			-
		KAY-SON STEEL	"	"	-	-	Feb. 4			-
13 (153-002) (154-002)	Soda Ash Tank Agitator (M-004 & 006)	GALIGHER	Jan. 31	Feb. 18	Feb. 5	Feb. 21	Feb. 18			
		BANCROFT WESTERN	"	"	Feb. 4		Feb. 14			
		GREEY MIXING	"	"	Feb. 6		Feb. 17	(N.B. Zn Agitators		deleted
		P.J. HANNAH	"	"	Feb. 4		Declined	Feb. 24/86)		
		INDUSTRIAL PUMPS	"	"			Feb. 17	Feb. 25		
14 (154-001)	Lime Screw Feeder (M-005)	INDUSTRIAL EQUIPMENT	Jan. 31	Feb. 14			Feb. 14			
		SULLIVAN STRONG SCOTT	"	"	Feb. 5		Feb. 12	Feb. 24		
		ENGINEERING & MACHINERY	"	"	DECLINED					
		THOMAS ENGINEERING	Feb. 4	"			Feb. 14			

CLIENT: CURRAGH RESOURCES

FARO MINE PROJECT

PAGE 4 OF 9

INQUIRY No. 3509-0-	MATERIAL EQUIPMENT	BIDDERS	ISSUE DATE 1986	DUE DATE 1986	ACKN. DATE 1986	Extension DATE	Date Rec'd	Recommendation		P. O. No.
								Issued	Approved	
15	Screen Panels	C.E. TYLER					Feb. 7	Feb. 12	Feb. 18	
(Verbal)		WAJAX					Feb. 7			
(151-001)		GOODALL					Feb. 11			
(151-007)										
16	Rubberlined	INLET METAL	Feb. 4	Feb. 13			Feb. 13			
(153-001)	Pump Box	NORTHERN STEEL	"	"			Feb. 13	Feb. 14	Feb. 28	00284
(153-002)	Dwg 415-2002-4	COAST STEEL	"	"			Feb. 13	(N.B. Pb	Regrind Pumpbox	
	<del>415-2003-4</del>	S. WALES & SON	"	"			Feb. 13	deleted Feb.	20/86)	
17	Zn Conditioner	REGAL TANK	Feb. 4	Feb. 7			Feb. 7			
(153-002)	tanks	MALONEY STEEL					Feb. 7			
	Dwg 415-2002-4	TIDY WELDERS	"	"			Feb. 7			
		O.M. INDUSTRIES.	"	"			Feb. 10	Feb. 12	On hold	
									Feb. 20/86	
18 A	H.D. Polystrips	CUSTOM PLASTICS	Feb. 3	Feb. 6			Feb. 4	Feb. 6	Feb. 10	00275
(Verbal)	Froth Retaining Ring - Thickeners	CADILLAC PLASTICS					Feb. 4			-
(155-001)	Dwg 425-2001-4									
18	SS Nuts 7 Bolts	PACIFIC FASTENERS	Feb. 3	Feb. 5			Feb. 5			-
	for above	B.S.C. ALLOYS	"	"			Feb. 5	Feb. 5	Feb. 7	00272
		SPECIALTY STEEL	"	"			Feb. 4			-

CLIENT: CURRAGH RESOURCES

FARO MINE PROJECT

PAGE 5 OF 9

INQUIRY No. 3509-Q-	MATERIAL EQUIPMENT	BIDDERS	ISSUE DATE 1986	DUE DATE 1986	ACKN. DATE 1986	Extension DATE	Date Rec'd	Recommendation		P. O. No.
								Issued	Approved	
19	Head Chutes	KAY-SON	Feb. 4	Feb. 10			Feb. 11			
(151-002)	Conveyor 8&9 Dwg 355-2001-4	GUNN INDUSTRIES	"	"			Feb. 11			
	355-2002-4	CONTINENTAL STEEL	"	"			Feb. 10			
		INLET METAL	"	"			Feb. 11	Feb. 12	Feb. 28	
20	Pump Box & Dist.	RAMSAY MACHINE	Feb. 4	Feb. 11	Feb. 7		Feb. 11			
(153-001)	Box Extensions	COAST STEEL	"	"			Feb. 11	Feb. 12	Feb. 28	00283
(153-002)	Dwg 413-2001-4 415-2001-4	CONTINENTAL STEEL	"	"			Feb. 10			
		GUNN INDUSTRIES	"	"			Feb. 11			
21	Feedchutes - Vib.	NORTHERN STEEL	Feb. 4	Feb. 13			Feb. 13			
(151-005)	Feeders	INLET METAL	"	"			Feb. 13			
	Dwg 310-2001-4	KAY-SON STEEL	"	"			Feb. 13	Feb. 14	Feb. 28	
22	Platforms & Walkways	NORTHERN STEEL	Feb. 5	Feb. 13			Feb. 13	Feb. 14	Feb. 18	00284
		RAMSAY	"	"	Feb. 7		Feb. 11	N.B. Conditioner		ank
{153-002} {154-002}	Dwg 415-3302-4	MALONEY	"	"			Feb. 13	Steelwork on		hold
23 Verbal	Soda Ash Recirc.	INDUSTRIAL PUMPS		Jan. 31			Jan. 31	Feb. 3	Feb. 10	00278
(154-002)	Pump	(Hayward Gordon)								
24 Verbal	10" Cyclones	TECHNEQUIP	Feb. 3				Feb. 3	Feb. 3	Feb. 10	00279
(153-001)									Cyclones	cancelled
									Feb. 21/86	

CLIENT: CURRAGH RESOURCES

FARO MINE PROJECT

PAGE 6 OF 9

INQUIRY No. 3509-Q-	MATERIAL EQUIPMENT	BIDDERS	ISSUE	DUE	ACKN.	Extension DATE	Date Rec'd	Recommendation		P. O. No.
			DATE 1986	DATE 1986	DATE 1986			Issued	Approved	
25 Verbal (161-001)	Main Water Pump	SMITH CAMERON (Worthington)	Feb. 3	Feb. 10	Feb. 3		Feb. 6	Feb. 7	Feb. 10	00280
26 (153-001)	Pb Regrind Cyclopac	INLET METAL NORTHERN STEEL	Feb. 7	Feb. 14			Feb. 14	Deleted	Feb. 20/86	
	Dwg 415-2005-4	INDUSTRIAL EQUIPMENT	"	"			Feb. 14	Equipment no longer		
		GUNN INDUSTRIES.	"	"			Feb. 14	required.		
		R. WALES & SON	"	"			Feb. 14			
27 155-004)	Pb and Zn Distributor Boxes	TIDY WELDERS R. WALES & SON	Feb. 7	Feb. 13		Feb. 14	Feb. 17			
		Q.M. INDUSTRIES.	"	"			Feb. 13	Feb. 18	Feb. 21	
		COAST STEEL	"	"			Feb. 13			
28 151-002)	Head Chutes Conveyor 11 & 12	KAYSON MALONEY	Feb. 7	Feb. 17			Feb. 17			
	360-2001-4	INLET METAL	"	"			Feb. 17	Feb. 18	Feb. 21	
	360-2002-4	CONTINENTAL STEEL	"	"			Feb. 17			
29 155-006)	Annunciator Panels	THOS W. MacKAY, BLACK & BAIRD	Feb. 12	Feb. 17	Feb. 14		Feb. 14			
			"	"	Feb. 17		Feb. 17	Feb. 19	Feb. 28	00285
30 155-006)	Panel Mounted Instruments	NORPAC CONTROLS BLACK & BAIRD	Feb. 12	Feb. 17	Feb. 14		Feb. 17	Feb. 19	Feb. 28	00286
		TAYLOR INSTRUMENTS	"	"			Feb. 17			
		FOYRORON	"	"	Feb. 13		Feb. 14			

CLIENT: CURRAGH RESOURCES

FARO MINE PROJECT

PAGE 7 OF 9

INQUIRY No. 509-Q-	MATERIAL EQUIPMENT	BIDDERS	ISSUE DATE 1986	DUE DATE 1986	ACKN. DATE 1986	Extension DATE	Date Rec'd	Recommendation		P. O. No.
								Issued	Approved	
Verbal 55-004)	TechTaylor Valves (Filt. & Drying Area)	VALKEM/TECHNEQUIP	Feb. 12	Feb. 12			Feb. 12	Feb. 12	Feb. 20	00273
91-001)	Forklift Trucks (Skagway)	ATTICA EQUIPMENT WILLIAMS MACHINERY WAJAX INDUSTRIES FINNING TRACTOR B.C. CONVEYING JACK MASON LIFT TRUCKS	Feb. 14 " " " " "	Feb. 19 " " " " "	Feb. 17 " " " " "	Feb. 20 " " " " "	Feb. 21 Feb. 20 Feb. 20 Declined Feb. 20	Feb. 25		
(Verbal) 62-004)	Jockey Pump	PUMPS & POWER CHAMCO ENGINEERING WILRON	Feb. 24 " "	Feb. 28 " "						
4 155-006)	Dewatering Control Panel	CAN PROCESS WESTERN SYSTEM VANCOUVER INDUSTRIAL GEC CANADA	Feb. 21 " " "	Feb. 28 " " "			Feb. 28 Feb. 25 Feb. 28 Feb. 28			



CLIENT: CURRAGH RESOURCES

FARO MINE PROJECT

PAGE 9 OF 9

INQUIRY No.	MATERIAL EQUIPMENT	BIDDERS	ISSUE DATE	DUE DATE	ACKN. DATE	Extension DATE	Date Rec'd	Recommendation		P. O. No.
								Issued	Approved	
39 (Telex) (151-003)	Gearsets - Reducer									
	Ratio Conversions									
	(A) - Conv #12	THOMAS ENGINEERING	Feb. 03				Feb. 04	Feb. 26		
	(B) - Conv #11	RENOLD CANADA	Feb. 03				Feb. 18	Feb. 26		
(C) - Conv #8, 9 & 13	HORSBURGH & SCOTT	Feb. 03				Feb. 20	Feb. 26			
40 (191-001)	Portable Stacking	INDUSTRIAL EQUIPMENT	Feb. 27	Mar. 14						
	Conveyors	TRANSCONTINENTAL	"	"						
	(Skagway)	FERGUSON SUPPLY	"	"						
		BLACKWOOD HODGE	"	"						
		STEPHENS ADAMSON	"	"						
		RIVQUIP	"	"						
41 (161-001)	M.C.C. Section	ALLEN BRADLEY	Feb. 27	Mar. 04	Feb. 28					
	(Mainwater Pump)	WESTINGHOUSE	"	"						
		FEDERAL PIONEER	"	"						
42 (121-003)	12" Dia Dewatering	COMCO	Feb. 25	Feb. 27			Feb. 27			
	Pipe & Couplings	GRINNEL	"	"			Feb. 28	Feb. 28		00287
		WESTLUND	"	"			Feb. 27			
43	20" Poly Pipe	DUPONT	Feb. 26	Feb. 28			Feb. 28			
	Tailings	CANRON	"	"			Feb. 27			
		PHILLIPS	"	"			Feb. 28			

# KILBORN

## RECORD OF ORDERS PLACED

REPORT NO. 001

DATE ISSUED: FEBRUARY 28, 1986

CLIENT: CURRAGH RESOURCES

PAGE 1 OF 2

PURCHASE ORDER		SPEC. NO.	VENDOR	DESCRIPTION	AMOUNT	FEDERAL SALES TAX	ESTIMATED FREIGHT	TOTAL	ACCOUNT CODE	REMARKS
NO.	DATE ORD'D									
00270	DEC. 21.85 1986	--	VIKING FIRE	SPRINKLER SYSTEM	\$ 54,867	INCLUDED	\$ 5,405	\$ 60,272	162-004	INCLUDES CO #1
00271	FEB. 05	Q-7	ROSEMOUNT	PH SENSORS	4,338	EXEMPT	75	4,413	350	
00272	FEB. 05	Q-10& Q-18	BSC ALLOYS	316L FLAT BAR - DRYER 304 SS NUTS & BOLTS - FROTH RINGS	33,199	EXEMPT	4,000	37,199	155-005 \$36190 155-001 \$ 1009	
00273	FEB. 05 & FEB. 26	Q-11& Q-31	VALKEM INDUSTRIAL	TECH-TAYLOR VALVES	7,937	EXEMPT	800	8,737	153-001 \$ 4640 155-004 \$ 4097	
00274	FEB. 07	Q-12	NORTHERN STEEL	SCREEN SUPPORTS & PLATFORMS	13,638	EXEMPT	3,500	17,138	151-007	
00275	FEB. 12	Q-18A	CUSTOM PLASTICS	POLY STRIPS - FROTHER RETAINING	2,920	EXEMPT	500	3,420	155-001	
00276	FEB. 10	Q-6	DEZURIK c/o VALKEM	KNIFE GATE VALVES (20")	10,066	EXEMPT	850	10,916	153-002	
00277	FEB. 10	Q-8	SOUTHWELL CONTROLS	ACTIVATOR & AMPLIFIER	3,224	EXEMPT	100	3,324	350	
00278	FEB. 10	Q-23	HAYWARD GORDON c/o INDUSTRIAL MIXER	SODA ASH RECIRCULATING PUMP	3,847	EXEMPT	300	4,147	154-002	
00279	FEB. 10	Q-24	TECHNEQUIP LTD.	10" CYCLONES	804	N/A	N/A	804	153-001	CANCELLATION COST CYCLONES DELETED
00280	FEB. 10	Q-25	SMITH CAMERON	MAIN WATER PUMP & MOTOR	45,390	EXEMPT	2,000	47,390	161-001	
00281	FEB. 19	M-003	TELEDYNE CANADA	ROCK BREAKER	81,810	EXEMPT	10,130	91,940	151-004	
00282	FEB. 27	Q-37	CDN DEWATERING	PIT DEWATERING SYSTEM (RENTAL)	101,400	--	24,000	125,400	121-003	BASED ON 8-MONTH RENTAL
00283	FEB. 28	Q-20	COAST STEEL	EXTENSIONS - PUMP & DIST. BOXES	6,060	EXEMPT	1,311	7,371	153-001 \$3925 153-002 \$3446	

# KILBORN

RECORD OF ORDERS PLACED

REPORT NO. 001

DATE ISSUED: FEBRUARY 28, 1986

CLIENT: CURRAGH RESOURCES

PAGE 2 OF 2

PURCHASE ORDER		SPEC NO.	VENDOR	DESCRIPTION	AMOUNT	FEDERAL SALES TAX	ESTIMATED FREIGHT	TOTAL	ACCOUNT CODE	REMARKS
NO.	DATE ORD'D									
1986										
00284	FEB. 28	Q-16& Q-22	NORTHERN STEEL	ZN PUMPBOX & MISC PLATFORMS	\$ 12,440	INCL. AS APPLICABLE	\$ 2,800	\$ 15,240	153-002 \$14193 154-002 \$ 1047	
00285	FEB. 28	Q-29	BLACK & BAIRD	ANNUNCIATOR PANELS	5,501	EXEMPT	200	5,701	155-006	
00286	FEB. 28	Q-30	NORPAC CONTROLS	PANEL-MOUNTED INSTRUMENTS	54,969	EXEMPT	150	55,119	155-006	
00287	FEB. 28	Q-42	ITT GRINNEL	12" DIA DEWATERING PIPE	27,106	EXEMPT	15,000	42,106	121-003	
00288	FEB. 28	Q-43	CANRON	20" HD POLYETHYLENE PIPE	173,018	EXEMPT	28,000	201,018	181-002	
TOTAL TO FEBRUARY 28, 1986					\$ 642,534 =====		\$ 99,121 =====	\$ 741,655 =====		

## OPERATING COST REPORT (\$Cdn.000's)

		JANUARY			FORECAST		
		BUDGET	COMMITTED	EXPENDED	FCST. TO	TOTAL	CURRENT VARIANCE
		UPDATE	TO DATE	TO DATE	COMPLETE	TO DEC/86	VARIANCE TO DATE
<b>MINE</b>							
210	Stripping & Ore Mining	3,893	310	310	3,466	3,776	(117) (117)
240	Operations - Supplies	5,786	681	279	4,943	5,222	(338) (564)
260	Maintenance - Labour	4,018	347	347	3,638	3,985	0 (33)
270	Maintenance - Supplies	6,260	481	96	5,524	5,620	(130) (640)
280	Mine Staff	1,720	78	78	1,520	1,598	49 (122)
290	Fuels & Lubricants	4,951	931	629	4,182	4,811	(140) (140)
<b>Total Mine</b>		<b>26,628</b>	<b>2,828</b>	<b>1,739</b>	<b>23,273</b>	<b>25,012</b>	<b>(676) (1,616)</b>
<b>MILL</b>							
310	Operations - Process	1,126	0	0	1,130	1,130	4 4
320	Operations - General	1,014	32	32	984	1,016	13 2
330	Operations - Supplies	8,966	15	15	8,963	8,978	0 12
340	Maintenance - Labour	2,385	114	113	2,268	2,381	(43) (4)
350	Maintenance - Supplies	1,740	178	164	1,683	1,847	107 107
360	Mill Staff	1,290	0	0	1,183	1,183	(92) (107)
<b>Total Mill</b>		<b>16,521</b>	<b>339</b>	<b>324</b>	<b>16,211</b>	<b>16,535</b>	<b>(11) 14</b>
<b>SERVICES</b>							
410	Power Supply	4,242	269	269	3,939	4,208	(61) (34)
412	Inventory Clearing Account	0	87	51	119	170	0 170
420	Fuel Supply	880	604	404	559	963	(108) 83
<b>Total Services</b>		<b>5,122</b>	<b>960</b>	<b>724</b>	<b>4,617</b>	<b>5,341</b>	<b>(169) 219</b>
<b>GENERAL &amp; ADMINISTRATION</b>							
510	Toronto	2,510	1,326	1,326	2,819	4,145	1,635 1,635
520	Whitehorse	2,406	121	121	857	978	(1,428) (1,428)
530	Fard	5,103	1,887	1,887	4,359	6,246	1,025 1,143
550	Town & Housing Expense	222	304	304	551	855	631 633
<b>Total G &amp; A</b>		<b>10,241</b>	<b>3,638</b>	<b>3,638</b>	<b>8,586</b>	<b>12,224</b>	<b>1,863 1,983</b>

## OPERATING COST REPORT (\$Cdn.000's)

		JANUARY			FORECAST			
		BUDGET	COMMITTED	EXPENDED	FCST. TO	TOTAL	CURRENT	VARIANCE
		UPDATE	TO DATE	TO DATE	COMPLETE	TO DEC/86	VARIANCE	TO DATE
<b>ROAD TRANSPORT</b>								
610	Concentrate	10,767	356	356	10,481	10,837	0	70
620	Backhaul	180	0	0	270	270	1	90
630	Miscellaneous	253	0	0	253	253	0	0
<b>Total Road Transport</b>		<b>11,200</b>	<b>356</b>	<b>356</b>	<b>11,004</b>	<b>11,360</b>	<b>1</b>	<b>160</b>
<b>PORT SITE</b>								
710	Concentrate Cost	2,280	0	0	2,281	2,281	1	1
720	Backhaul Cost	90	0	0	90	90	0	0
<b>Total Port Site</b>		<b>2,370</b>	<b>0</b>	<b>0</b>	<b>2,371</b>	<b>2,371</b>	<b>1</b>	<b>1</b>
<b>OCEAN TRANSPORT</b>								
810	Concentrate	5,175	0	0	5,175	5,175	0	0
820	Backhaul	428	0	0	428	428	0	0
<b>Total Ocean Transport</b>		<b>5,603</b>	<b>0</b>	<b>0</b>	<b>5,603</b>	<b>5,603</b>	<b>0</b>	<b>0</b>
<b>MARKETING &amp; FINANCIAL</b>								
910	Marketing Expense	765	87	87	717	804	39	39
920	Smelter Charges - Zinc	0	0	0		0	0	0
930	Revenues - Zinc	0	0	0		0	0	0
940	Smelter Charges - Lead	0	0	0		0	0	0
950	Revenues - Lead	0	0	0		0	0	0
960	Financial Expense	3,219	3,219	3,219	0	3,219	0	0
980	Capital Transactions	0	0	0		0	0	0
<b>Total Marketing &amp; Financial</b>		<b>3,984</b>	<b>3,306</b>	<b>3,306</b>	<b>717</b>	<b>4,023</b>	<b>39</b>	<b>39</b>
<b>TOTAL OPERATING COSTS</b>		<b>81,669</b>	<b>11,427</b>	<b>10,087</b>	<b>72,382</b>	<b>82,469</b>	<b>1,048</b>	<b>800</b>

BUDGET/FORECAST RECONCILIATION

MINE & MILL OPERATIONS - DETAILS

(\$000's)

Amount

Current Forecast to Dec. 31/86.	82,469
January Progress Report forecast of Mine and Mill Costs to Dec. 31/86	81,421
	<hr/>
Variance	1,048

Variance Analysis

210 Waste Stripping and Ore Mining

The detail accounts in the stripping and mining operation, have been revised to reflect actual conditions prevailing at site. The variances are generally off-setting except in the General Service Labour account which shows a significant forecast decrease. This labour account has been revised to reflect the removal of tiremen as a result of the tire lease contract, and, the transfer of janitorial labour to the janitorial services contract in account 538.004. (117)

240 Mine Operating Supplies (338)

As a result of the tire lease contract, the tire supply account has been reduced (\$-310,000). Minor forecast variances in the other operating supplies accounts (\$-28,000) reflect the remainder of the variance.

270 Mine Maintenance Supplies (130)

Due in part, to efforts to reduce the warehouse inventory to a more acceptable level, the mine maintenance supplies continue to show an underrun. The forecast reduction this month is \$130,000.

280 Mine Staff 49

The following changes have been made within the mine staff account this month.

- transfer the forecast for the mine superintendent to the G & A Faro account 531.001 (\$-55,000)
- reflect forecast underruns due to the delay in hiring permanent Curragh staff (\$-194,000)
- add the forecast for engineering hourly personnel which was inadvertently missed in previous estimates (\$+298,000).

290 Fuels and Lubricants (140)

In view of current projections of fuel supply costs, the forecast cost of diesel fuel in the July-December 1986 period has been decreased by \$.03/litre to \$.36/litre. (\$-180,000). Additional costs to date for lubricants (\$+40,000) has partially offset this savings.

---

Total Mine (Account 200) (676)

340 Mill Maintenance - Labour ( 43)

A transfer of janitorial labour costs (\$-74,000) to the janitorial services contract (account 538.004) has been partially off-set by additional heating plant labour costs to date (\$+31,000)

350 Mill Maintenance Supplies 107

The mill maintenance program prior to plant start-up is currently ahead of schedule. This has resulted in an overrun in the to date forecast of mill maintenance supplies of \$107,000.

360 Mill Staff ( 92)

The following variances have resulted in a net decrease to the mill staff account this month.

- the forecast costs for the mill superintendent are now included in account 531.001 (\$-45,000)
- the delay in hiring permanent mill staff has resulted in a forecast decrease to the operations and maintenance staff accounts (\$-47,000)

Other

Minor forecast adjustments 17

Total Mill (Account 300) (11)

410 Power Supply (61)

The NCPC power supply cost has been underrun to date by \$61,000.

420 Fuel Supply - Heating (108)

Based on current contract negotiations for coal supply, the F.O.B. Faro cost has been decreased from \$105/tonne to \$80/tonne. (\$-179,000).

However, since the switch-over from oil to coal for plant heating did not occur until the end of February, the additional oil burned has resulted in a forecast increase of \$71,000.

---

Total Services (Account 400) (169)

500 General and Administration

The account code structure for the G & A accounts was revised during February to provide better accounting detail and to more accurately reflect the activities concerned with the various offices. In addition, manpower staffing in each of the centres, was reviewed and most accounts underwent a complete re-estimate based on costs to date and new projections to the end of 1986.

The resulting forecast variances as shown below, do not include situations where a scope of work has been transferred from one office to another (i.e. insurance costs from Whitehorse to Toronto).

a)	Salaries and benefits - Toronto	339
b)	Salaries and benefits - Whitehorse	(137)
c)	Salaries and benefits - Faro	819
	Total Salaries and Benefits	<hr/> 1,021

NOTE:The foregoing salaries and benefits changes are complicated by the fact that senior staff from Whitehorse and Faro are now included in Toronto, and, the mine and mill superintendents are now included in the Faro G & A account.

d)	Faro town and housing forecasts had not previously included mortgage and related expense items because it was not known how these items would be handled. Concepts are now in place which allows the mortgage costs to be estimated.	652
e)	G & A Europe costs have been transferred to the marketing account 912.	(258)
f)	The janitorial service contract is now included in the G & A Faro account 538.004.	240

Off-setting reductions were previously noted in the appropriate mine and mill labour accounts.

g)	The net effect of all other G & A account adjustments is a forecast decrease of \$50,000.	(50)
		<hr/> 1,605

910 Marketing Expense

297

The forecast cost for the European office has been updated to reflect current costs and transferred to Account 912.

Other

Mine - forecast adjustments

2

Total Mine and Mill Operations

1,048

Account Number	Description	Expend. To-Date	Expend. By Month												Total 1986	Previous Total	Variance Jan/Feb.86
			Mar-86	Apr-86	May-86	Jun-86	Jul-86	Aug-86	Sep-86	Oct-86	Nov-86	Dec-86					
200	MINE																
210	Waste Stripping & Ore Mining																
211 001	Drilling	32	28	27	28	28	29	29	28	29	28	29	29	315	322	(7)	
212 001	Blasting	28	25	24	25	24	25	25	24	25	24	25	25	274	160	114	
213 001	Loading	60	44	43	44	43	55	55	54	56	54	56	56	564	634	(70)	
214 001	Hauling	114	145	140	145	140	173	177	172	179	173	178	178	1,736	1,787	(51)	
215 001	Dump Maintenance	16	27	26	27	26	23	25	25	25	25	25	25	270	312	(42)	
216 001	Road Maintenance	59	27	26	27	26	27	27	27	27	27	27	27	327	153	174	
217 001	Stockpile Maintenance	0	0	0	0	0	5	5	5	5	5	5	5	30	29	1	
218 001	General Service Labour	1	25	25	25	25	26	27	26	27	26	27	27	260	496	(236)	
TOTAL ACCT 210 - MINE OPERATIONS		310	321	311	321	312	363	370	361	373	362	372	372	3,776	3,893	(117)	
240	Mine Operating Supplies																
241 001	Drill Bits & Steel	9	38	37	38	37	47	55	48	77	73	71	71	530	560	(30)	
242 001	Explosives	197	205	270	279	270	304	312	302	273	275	293	293	2,980	2,980	0	
243 001	Tires	0	106	103	105	103	118	118	115	115	115	118	118	1,116	1,426	(310)	
244 001	Wear Parts	16	18	18	21	20	21	21	20	21	20	21	21	217	251	(34)	
245 001	Electric Service Supplies	9	5	5	5	5	5	5	5	5	5	5	5	59	56	3	
246 001	Training Supplies	0	1	1	1	1	1	1	1	1	1	1	1	10	11	(1)	
247 001	Engineering Supplies	1	6	9	11	11	11	14	14	14	14	14	14	119	124	(5)	
248 001	Miscellaneous	47	1	1	11	15	17	19	19	20	21	20	20	191	152	39	
002	Light Vehicle Operation	0												0	0	0	
003	Cranes, Forklifts, etc.	0												0	0	0	
004	Mine Support Equipment	0												0	0	0	
005	General Mine Freight	0												0	0	0	
TOTAL ACCT 240 - MINE OPERATING SUPPLIES		279	380	444	471	462	524	545	524	526	524	543	543	5,222	5,560	(338)	
260	Mine Maintenance - General																

CURRAGH RESOURCES

JANUARY '86 BUDGET UPDATE ( \$ CON 000's ) - RECONCILIATION DETAILS

DATE: FEB.28/86

Account Number	Description	Expend.												Total	Previous	Variance
		To-Date	Mar-86	Apr-86	May-86	Jun-86	Jul-86	Aug-86	Sep-86	Oct-86	Nov-86	Dec-86	1986	Total	Jan/Feb.86	
261 001	Mine Maintenance - Labour	318	314	314	324	314	356	328	351	362	351	362	3,694	3,688	6	
262 001	Yards & Service - Labour	29	26	25	26	25	27	27	26	27	26	27	291	297	(6)	
TOTAL ACCT 260 - MINE MAINTENANCE - GENERAL		347	340	339	350	339	383	355	377	389	377	389	3,985	3,985	0	
270 001	Mine Maintenance Supplies	96	304	460	542	526	628	628	604	616	599	617	5,620	5,750	(130)	
280	Mine Staff															
281 001	Mine Superintendent	10	0	0	0	0	0	0	0	0	0	0	10	65	(55)	
282 001	Operations Staff	29	47	45	47	45	47	45	45	45	45	45	485	532	(47)	
283 001	Maintenance/Service Staff	30	43	48	49	50	54	54	50	50	50	50	528	676	(148)	
284	Engineering															
001	Engineering/Geology Staff	9	5	10	10	10	30	30	30	30	30	30	224	215	9	
002	Engineering Hourly	0	20	23	28	27	33	33	33	34	33	34	298	0	298	
Total for Account 284		9	25	33	38	37	63	63	63	64	63	64	522	215	307	
285 001	Yard & Services Staff	0	6	6	6	5	5	5	5	5	5	5	53	61	(8)	
TOTAL ACCT 280 - MINE STAFF		78	121	132	140	137	169	167	163	164	163	164	1,598	1,549	49	
290	Fuels & Lubricants															
291 001	Diesel	470	197	226	338	310	375	372	335	360	354	360	3,697	3,877	(180)	
292 001	Gasoline	30	31	34	38	39	45	45	40	45	43	54	444	444	0	
293 001	Lubricants	129	41	46	48	52	61	60	58	59	57	59	670	630	40	
TOTAL for ACCOUNT 290 - FUELS & LUBRICANTS		629	269	306	424	401	481	477	433	464	454	473	4,811	4,951	(140)	
**TOTAL ACCT 200 - MINE**		1,739	1,735	1,992	2,248	2,177	2,548	2,542	2,462	2,532	2,479	2,558	25,012	25,688	(676)	
300	MILL															
310	Mill Operating Labour															
311 001	Crushing & Screening	0	0	0	17	25	24	24	24	23	23	23	183	183	0	
312 001	Grinding	0	0	0	17	15	15	15	14	14	14	14	118	118	0	
313 001	Flotation	0	0	35	35	37	31	31	30	30	30	30	289	289	0	

Account Number	Description	Expend. To-Date	Expend. by Month										Total 1986	Previous Total	Variance Jan/Feb.86
			Mar-86	Apr-86	May-86	Jun-86	Jul-86	Aug-86	Sep-86	Oct-86	Nov-86	Dec-86			
314 001	Reagent Handling	0	0	0	8	8	8	7	7	7	7	7	59	59	0
315 001	Dewatering & Drying	0	0	17	27	28	28	26	26	26	26	26	230	230	0
316 001	Loadout	0	0	0	12	11	11	11	11	11	11	11	89	89	0
317 001	Tailings	0	0	4	4	3	3	3	3	3	3	3	29	25	4
318 001	Control Room	0	0	0	19	17	17	16	16	16	16	16	133	133	0
TOTAL ACCT 310 - MILL OPERATIONS - PROCESS		0	0	56	139	144	137	133	131	130	130	130	1,130	1,126	4
320	Mill Operations - General														
321 001	General Service Labour	32	19	29	52	62	64	63	62	62	62	62	569	556	13
322 001	Coal Handling	0	4	3	3	3	3	3	3	3	3	3	31	31	0
323 001	Office & Technical	0	8	31	53	47	47	46	46	46	46	46	416	416	0
TOTAL ACCT 320 - MILL OPERATIONS - GENERAL		32	31	63	108	112	114	112	111	111	111	111	1,016	1,003	13
330	Mill Operating Supplies														
331 001	Crushing & Screening	0	0	0	0	10	12	15	22	26	25	26	136	136	0
332 001	Grinding	0	0	0	0	271	333	416	625	720	697	720	3,782	3,782	0
333 001	Flotation & Reagents	0	0	0	0	253	311	389	584	1,365	652	673	4,227	4,227	0
334 001	Dewatering & Drying	0	0	0	0	16	20	25	35	43	41	43	223	223	0
335 001	Loadout	0	0	0	0	21	25	32	47	54	54	54	287	287	0
336 001	Tailings	0	0	0	0	1	1	1	1	1	2	2	9	9	0
337 001	Miscellaneous	15	0	0	0	20	26	33	50	56	57	57	314	314	0
TOTAL ACCT 330 - MILL OPERATING SUPPLIES		15	0	0	0	592	728	911	1,364	2,265	1,528	1,575	8,978	8,978	0
340	Mill Maintenance - Labour														
341 001	Maintenance Labour	14	89	119	208	248	247	244	237	237	237	237	2,117	2,191	(74)
342 001	Heating Plant Labour	99	19	17	17	16	16	16	16	16	16	16	264	233	31

Account Number	Description	Expend. To-Date	Expend. by Month										Total 1986	Previous Total	Variance Jan/Feb.86	
			Mar-86	Apr-86	May-86	Jun-86	Jul-86	Aug-86	Sep-86	Oct-86	Nov-86	Dec-86				
TOTAL ACCT 340 - MILL MAINTENANCE -LABOUR			113	108	136	225	264	263	260	253	253	253	2,381	2,424	(43)	
350	Mill Maintenance Supplies	164	71	95	166	198	198	195	190	190	190	1,847	1,740	107		
351 001	Crushing & Screening	0	0	0	0	0	0	0	0	0	0	0	0	0		
352 001	Grinding	0	0	0	0	0	0	0	0	0	0	0	0	0		
353 001	Flotation & Reagents	0	0	0	0	0	0	0	0	0	0	0	0	0		
354 001	Dewatering & Drying	0	0	0	0	0	0	0	0	0	0	0	0	0		
355 001	Loadout	0	0	0	0	0	0	0	0	0	0	0	0	0		
356 001	Tailings	0	0	0	0	0	0	0	0	0	0	0	0	0		
357 001	Miscellaneous	0	0	0	0	0	0	0	0	0	0	0	0	0		
TOTAL ACCT 350 MILL MAINTENANCE SUPPLIES			164	71	95	166	198	198	195	190	190	190	1,847	1,740	107	
360	Mill Staff															
361 001	Mill Superintendent	0	0	0	0	0	0	0	0	0	0	0	45	(45)		
362 001	Operations Staff	0	15	50	50	40	35	35	35	35	35	365	381	(16)		
363 001	Maintenance Staff	0	45	50	50	50	50	50	50	50	50	503	534	(31)		
364 001	Engineering & Metallurgy	0	10	25	35	35	35	35	35	35	35	315	315	0		
TOTAL ACCT 360 - MILL STAFF			0	70	133	135	125	120	120	120	120	120	1,183	1,275	(92)	
**TOTAL ACCT 300 - MILL**			324	280	483	773	1,435	1,560	1,731	2,169	3,069	2,332	2,379	16,535	16,546	(11)
400	SERVICES															
410	Power Supply															
411 001	NCPC Power Supply	269	140	140	140	328	368	422	558	620	603	620	4,208	4,269	(61)	
TOTAL ACCT 410 - POWER SUPPLY			269	140	140	140	328	368	422	558	620	603	620	4,208	4,269	(61)
412 001	Inventory Clearing Account	51	50	50	19								170	170	0	
Total for Account 412			51	50	50	19	0	0	0	0	0	0	0	170	170	0
420	Fuel Supply - Heating															

Account Number	Description	Expend. To-Date	1986										Total 1986	Previous Total	Variance Jan/Feb.86
			Mar-86	Apr-86	May-86	Jun-86	Jul-86	Aug-86	Sep-86	Oct-86	Nov-86	Dec-86			
421 001	Coal	0	0	0	0	21	27	35	76	126	134	140	559	738	(179)
422 001	Fuel Oil	404	0	0	0	0	0	0	0	0	0	0	404	333	71
TOTAL ACCT 420 - FUEL SUPPLY		404	0	0	0	21	27	35	76	126	134	140	963	1,071	(108)
**TOTAL ACCT 400 - SERVICES**		724	190	190	159	349	395	457	634	746	737	760	5,341	5,510	(169)
500	GENERAL & ADMINISTRATION														
510	G & A Toronto														
511	Human Resources												0	988	(988)
001	General Salaries	0	5	23	23	23	23	23	23	23	23	23	212	0	212
002	Senior Salaries: Ontario & Yukon	295	77	77	77	77	77	77	77	77	77	77	1,065	0	1,065
003	Payroll Benefits	10	4	4	4	4	4	4	4	4	4	4	50	0	50
004	Part-Time Employment	0											0	0	0
Total for Account 511		305	86	104	104	104	104	104	104	104	104	104	1,327	988	339
512	Office Expense														
001	Office Supplies & Stationery	10	3	3	3	3	3	3	3	3	3	3	40	70	(30)
002	Reproduction & Xerox	10	2	2	2	2	2	2	2	2	2	2	30	97	(67)
003	Computer Service	50	2	2	3	2	2	3	2	2	3	2	73	76	(3)
004	Other Equipment Rental	0	1	1	1	1	1	1	1	1	1	1	10	0	10
005	Moving Expenses	20				5				5			35	0	35
006	Office Rent, Utilities	6	10	10	10	10	10	10	10	10	10	10	106	106	0
007	Renovations & Repairs	210	20	10	1	1	1	1	1	1	1	1	248	220	28
Total for Account 512		306	38	28	20	24	19	20	24	19	20	24	542	569	(27)
513	Communications														
001	Postage, Telex, Courier	12	3	3	3	3	3	3	3	3	3	3	42	42	0
002	Telephone & Telecopier	40	10	10	10	10	10	10	10	10	10	10	140	140	0
Total for Account 513		52	13	13	13	13	13	13	13	13	13	13	182	182	0
514	Travel & Business Development														
001	Travel & Entertainment	55	9	9	9	9	9	9	9	9	9	9	145	205	(60)
002	Corporate Promotion, P/R & Donations	24	4	4	4	4	4	4	4	4	4	4	64	84	(20)
003	Dues, Subscriptions & Trade Assoc's	0	2	2	2	2	2	2	2	2	2	2	20	0	20
Total for Account 514		79	15	15	15	15	15	15	15	15	15	15	229	289	(60)
515	Professional Services														
001	Management Services & Contracts	0											0	0	0
002	Legal Services	50	10	10	10	10	10	5	5	5	5	5	125	0	125
003	Accounting & Auditing Services	10		10								40	60	0	60
004	Engineering Services Purchased	0											0	0	0

Account Number	Description	Expend. To-Date												Total 1986	Previous Total	Variance Jan/Feb.86
		Mar-86	Apr-86	May-86	Jun-86	Jul-86	Aug-86	Sep-86	Oct-86	Nov-86	Dec-86					
005	Environmental Services & Supplies	0												0	0	0
006	Consultants & Recruiters	0												0	0	0
Total for Account 515		60	10	20	10	10	10	5	5	5	5	5	45	185	0	185
516	Insurance & Taxes															
001	Insurance	403	20		365						340	70		1,198	0	1,198
002	Taxes	0												0	0	0
Total for Account 516		403	20	0	365	0	0	0	0	0	340	70		1,198	0	1,198
517	Other Toronto Expense															
001	Misc. & Contingency	121	37	36	36	36	36	36	36	36	36	36		482	482	0
Total for Account 517		121	37	36	36	36	36	36	36	36	36	36		482	482	0
TOTAL ACCT 510 - G & A TORONTO		1,326	219	216	563	202	197	193	197	192	533	307		4,145	2,510	1,635
520	G & A Whitehorse															
521	Human Resources	0												0	434	(434)
001	Salaries: Eng'ng & Transportation	15	7	15	25	28	28	28	28	28	28	28		258	0	258
002	Salaries: Other	0												0	0	0
003	Payroll Benefits	2	2	3	4	4	4	4	4	4	4	4		39	0	39
004	Part-Time Employment	0												0	0	0
Total for Account 521		17	9	18	29	32	32	32	32	32	32	32		297	434	(137)
522	Office Expense															
001	Office Supplies & Stationery	0	1	1	1	2	2	2	2	2	2	2		17	88	(71)
002	Reproduction & Xerox	0	1	1	1	1	1	1	1	1	1	1		10	0	10
003	Computer Service	0	25	5	5	5	5	5	5	5	5	5		70	55	15
004	Other Equipment Rental	0												0	0	0
005	Moving & Relocation Expenses	20	10	10	0	0	0	0	0	0	0	0		40	30	10
006	Office Rent, Utilities	7	3	3	3	3	3	3	4	4	4	4		41	39	2
007	Renovations & Repairs	0												0	0	0
Total for Account 522		27	40	20	10	11	11	11	12	12	12	12		178	212	(34)
523	Communications															
001	Postage, Telex, Courier	0	1	1	1	1	1	1	1	1	1	1		10	0	10
002	Telephone & Telecopier	4	2	2	2	2	2	2	2	2	2	2		24	13	11
Total for Account 523		4	3	3	3	3	3	3	3	3	3	3		34	13	21
524	Travel & Business Development															
001	Travel & Entertainment	0	2	2	2	2	2	2	2	2	2	2		20	0	20
002	Corporate Promotion, P/R & Donations	0	2	2	2	2	2	2	2	2	2	2		20	22	(2)
003	Dues, Subscriptions & Trade Assoc's	0	1	1	1	1	1	1	1	1	1	1		10	36	(26)
Total for Account 524		0	3	3	3	3	3	3	3	3	3	3		30	58	(28)

Account Number	Description	Expend.												Total 1986	Previous Total	Variance Jan/Feb.86
		To-Date	Mar-86	Apr-86	May-86	Jun-86	Jul-86	Aug-86	Sep-86	Oct-86	Nov-86	Dec-86				
525	Professional Services															
001	Management Services & Contracts	0												0	0	0
002	Legal Services	0												0	77	(77)
003	Accounting & Auditing Services	0												0	0	0
004	Engineering Services Purchased	0												0	0	0
005	Recruiting Costs	50	5	5	5	5	45	45	5	5	5	5	180	180	0	
006	Bank Consultant	9	13	2	1	13	2	1	13	2	1	13	70	70	0	
007	)	0											0	0	0	
008	) Spare	0											0	0	0	
009	)	0											0	0	0	
010	Environmental Services - Dome	2	1	1	1	1	1	1	1	1	1	1	12	12	0	
011	Environmental Studies	8	8	8	8	4	4	4	4	4	4	4	60	60	0	
012	Environmental Fund	0	0	0	0	5	6	7	13	10	11	11	63	63	0	
013	Environmental Presentations	4	4	4	4	4	4	4	4	4	4	4	44	44	0	
Total for Account 525		73	31	20	19	32	62	62	40	26	26	38	429	506	(77)	
526	Insurance & Taxes															
001	Insurance	0											0	1,183	(1,183)	
002	Taxes	0											0	0	0	
003	Land Holdings Licences & Fees Paid	0											0	0	0	
004	Royalties & Land Holdings Payments	0											0	0	0	
Total for Account 526		0	0	0	0	0	0	0	0	0	0	0	0	1,183	(1,183)	
527	Other Whitehorse Expense															
001	Vehicles	0	1	1	1	1	1	1	1	1	1	1	10	0	10	
002	Other	0											0	0	0	
Total for Account 527		0	1	1	1	1	1	1	1	1	1	1	10	0	10	
TOTAL ACCT 520 - G & A WHITEHORSE		121	87	65	65	82	112	112	91	77	77	89	978	2,406	(1,428)	
530	G & A Faro															
531	Human Resources															
001	Salaries: Administrative	35	25	53	43	43	43	43	43	43	43	43	457	418	39	
002	Salaries: Other	22	10	76	66	66	66	66	66	66	66	66	636	0	636	
003	Payroll Benefits	0		16	16	16	16	16	16	16	16	16	144	0	144	
004	Part-Time Employment	0											0	0	0	
Total for Account 531		57	35	145	125	125	125	125	125	125	125	125	1,237	418	819	
532	Office Expense															
001	Office Supplies & Stationary	3	1	1	2	2	2	2	2	2	2	2	21	60	(39)	
002	Reproduction & Xerox	0	1	1	1	1	1	1	1	1	1	1	10	0	10	
003	Computer Service	11	14	11	11	4	4	4	4	4	4	4	75	75	0	
004	Other Equipment Rental	0	3	3	3	3	3	3	3	3	3	3	30	66	(36)	
005	Moving & Relocation Expenses	0	20	20	15	15	10	10	10				100	0	100	
006	Office Rent, Utilities	0											0	0	0	

Account Number	Description	Expend. To-Date	Expend. by Month												Total 1986	Previous Total	Variance Jan/Feb.86
			Mar-86	Apr-86	May-86	Jun-86	Jul-86	Aug-86	Sep-86	Oct-86	Nov-86	Dec-86					
007	Renovations & Repairs	0	2	2	2	2	2	2	2	2	2	2	2	20	52	(32)	
	Total for Account 532	14	41	38	34	27	22	22	22	12	12	12	256	253	3		
533	Communications																
001	Postage,Telex,Courier	9	4	4	4	4	4	4	4	4	4	4	49	0	49		
002	Telephone & Telecopier	20	6	6	7	7	7	7	8	8	8	8	92	132	(40)		
	Total for Account 533	29	10	10	11	11	11	11	12	12	12	12	141	132	9		
534	Travel & Business Development																
001	Travel & Entertainment	0	4	4	4	4	4	4	4	4	4	4	40	0	40		
002	Corporate Promotion,P/R & Donations	0	0	0	0	0	2	2	2	3	3	4	16	16	0		
003	Dues,Subscriptions & Trade Assoc's	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
	Total for Account 534	0	4	4	4	4	6	6	6	7	7	8	56	16	40		
535	Professional Services																
001	Management Services & Contracts	0											0	0	0		
002	Legal Services	0											0	0	0		
003	Accounting & Auditing Services	0											0	0	0		
004	Engineering Services Purchased	0											0	0	0		
005	Environmental Services & Supplies	0											0	0	0		
006	Consultants & Recruiters	0											0	0	0		
	Total for Account 535	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
536	Insurance & Taxes																
001	Insurance	0											0	0	0		
002	Taxes	0					140						140	140	0		
003	Land Holdings Licences & Fees Paid	7	4	4	4	4	4	4	4	4	4	4	47	47	0		
004	Royalties & Land Holdings Payments	0											0	0	0		
	Total for Account 536	7	4	4	4	4	144	4	4	4	4	4	187	187	0		
537	Consultants																
001	Kilborn Pre-Closing Costs	0											0	0	0		
002	Water Licence	0	20	20	20	0	0	0	0	0	0	0	60	60	0		
003	Tailings Studies	0											0	110	(110)		
004	Accounting System Design	0	20	20	20	10	10	10	0	0	0	0	90	90	0		
005	Geotechnical - Pit	10	10	10	0	0	0	0	0	0	0	0	30	30	0		
006	Mine Modelling	20	10	10	15	15	15	15	0	0	0	0	100	100	0		
007	Tailings - Geochemical	0	20	20	25								65	65	0		
008	( Spare	0											0	0	0		
009	(	0											0	0	0		
010	Kilborn Toronto Fees - General	530	32	31	28	25	23	23	23	23	23	23	784	2,996	(2,212)		
011	Kilborn Toronto Fees - Cap.Projects	25	15	15	9	7	7	7	7	7	7	7	113	0	113		
012	Kilborn Toronto Expenses	109	10	5	5	5	5	5	5	5	3	3	160	0	160		
013	Kilborn Vancouver Fees - General	364	30	20	20	10	10	10	5	5	5	5	484	0	484		
014	Kilborn Vancouver - Cap.Projects	103	20	10	10								143	0	143		
015	Kilborn Vancouver Expenses	74	5	5	5	5	5	5	2	2	1		109	0	109		
016	Kilborn Site Fees - General	129	77	45	40	12	12						315	0	315		
017	Kilborn Site Fees - Mine	176	88	91	79	12							525	0	525		

Account Number	Description	Expend. To-Date	1986										Total 1986	Previous Total	Variance Jan/Feb.86	
			Mar-86	Apr-86	May-86	Jun-86	Jul-86	Aug-86	Sep-86	Oct-86	Nov-86	Dec-86				
018	Kilborn Site Fees - Mill	79	56	46	34	34	21	12	9					291	0	291
019	Kilborn Site Fee - Whitehorse	43	22											65	0	65
020	Kilborn Site Expenses	47	10	10	10	15	10	10	5					117	0	117
Total for Account 537		1,709	445	358	320	217	130	97	56	42	39	38		3,451	3,451	0
538	Warehouse & Maintenance															
001	Road Maintenance	43	17	25	25	25	25	25	25	20	15	15		260	251	9
002	Security Contracts	23	23	23	23	23	23	23	23	23	23	23		253	296	(43)
003	General Warehouse Supplies	0	15	14	15	14	15	14	15	14	15	14		145	217	(72)
004	Janitorial Services	5	37	22	22	22	22	22	22	22	22	22		240	0	240
Total for Account 538		71	92	84	85	84	85	84	85	79	75	74		898	764	134
539	Other Faro Expense															
001	Vehicles	0	2	2	2	2	2	2	2	2	2	2		20	0	20
002	Other	0												0	0	0
Total for Account 539		0	2	2	2	2	2	2	2	2	2	2		20	0	20
TOTAL ACCT 530 - G & A FARD		1,887	633	645	585	474	525	351	312	283	276	275		6,246	5,221	1,025
550	Faro Town & Housing Expense															
551	Town Costs															
001	Municipal & School Taxes	2	1	1	1	1	78	1	1	1	1	1		89	100	(11)
002	Property Management Fees	0												0	0	0
003	Other Town Costs	14	10	10	10	10	10	10	10	10	10	10		114	124	(10)
Total for Account 551		16	11	11	11	11	88	11	11	11	11	11		203	224	(21)
552	Housing Expenses															
001	Mortgage Expense	183	92	41	67	53	58	48	5					547	0	547
002	Insurance on Housing Units	0												0	0	0
003	Utilities	0												0	0	0
004	Repairs	0												0	0	0
005	Receipts from Housing	0												0	0	0
006	Other Housing Expenses	105												105	0	105
Total for Account 552		288	92	41	67	53	58	48	5	0	0	0		652	0	652
TOTAL ACCT 550 - TOWN & HOUSING EXP.		304	103	52	78	64	146	59	16	11	11	11		855	224	631
**TOTAL ACCT 500 - GENERAL & ADMIN.**		3,638	1,042	978	1,291	822	980	715	616	563	897	682		12,224	10,361	1,863
600	ROAD TRANSPORTATION															
610	Concentrate Transport															

Account Number	Description	Expend. To-Date	Mar-86	Apr-86	May-86	Jun-86	Jul-86	Aug-86	Sep-86	Oct-86	Nov-86	Dec-86	Total 1986	Previous Total	Variance Jan/Feb.86
611 001	Transport Studies	356	89	90	0	0	0	0	0	0	0	0	535	535	0
002	Technical Assistance - Boliden	0	0	0	0	6	7	8	14	11	13	12	71	71	0
Total for Account 611		356	89	90	0	6	7	8	14	11	13	12	606	606	0
612 001	Trailers,Containers,Jeeps(1.70/tc)	0	0	0	0	35	44	48	86	67	78	74	431	431	(0)
613	Whitehorse Truck Terminal														
001	Building Lease Costs(.40/tc)	0	0	0	0	8	10	11	20	16	18	17	101	101	0
002	Tools, Furniture & Vehicles(.11/tc)	0	0	0	0	2	3	3	6	4	5	5	28	28	(0)
Total for Account 613		0	0	0	0	10	13	14	26	20	23	22	129	129	0
614 001	Concentrate Haulage Cost(37.80/tc)	0	0	0	0	775	970	1,059	1,918	1,480	1,731	1,648	9,581	9,581	0
615 001	Trailer Break Station	0	0	10	10	10	10	10	10	10	10	10	90	90	0
=====															
TOTAL ACCT 610 - CONCENTRATE TRANS.		356	89	100	10	837	1,044	1,139	2,054	1,587	1,855	1,766	10,837	10,837	0
620 001	Backhaul Transport(12.00/tb)	0	30	41	41	23	23	23	23	23	23	23	270	269	1
630	Miscellaneous Transport Costs														
631 001	Road Usage Fee(1.00/tc)	0	0	0	0	21	26	28	51	39	46	44	253	253	0
=====															
TOTAL ACCT 630 - MISC. TRANS. COSTS		0	0	0	0	21	26	28	51	39	46	44	253	253	0
=====															
**TOTAL ACCT 600 - ROAD TRANS.**		356	119	141	51	880	1,092	1,190	2,127	1,649	1,923	1,832	11,360	11,359	1
700	PORT SITE														
710 001	Terminal Charges - Conc.(9.00/tc)	0	0	0	0	185	231	252	457	352	412	392	2,281	2,280	1
720 001	Terminal Charges - Backhaul(6.00/tb)	0	0	0	11	11	11	11	11	11	11	11	90	90	0
=====															
**TOTAL ACCT 700 - PORT SITE**		0	0	0	11	196	242	263	468	364	423	404	2,371	2,370	1
800	OCEAN TRANSPORT														
810 001	Concentrate Shipments	0	0	0	0	575	575	1,150	1,150	1,150	575	575	5,175	5,175	0
820 001	Backhaul(28.50/tb)	0	0	0	53	53	53	53	53	53	53	53	428	428	(1)
=====															
**TOTAL ACCT 800 - OCEAN TRANSPORT**		0	0	0	53	53	628	628	1,203	1,203	1,203	628	5,603	5,603	(1)
900	MARKETING & FINANCIAL														

Account Number	Description	Expend. To-Date	Expend. by Month										Total 1986	Previous Total	Variance Jan/Feb.86
			Mar-86	Apr-86	May-86	Jun-86	Jul-86	Aug-86	Sep-86	Oct-86	Nov-86	Dec-86			
910	Marketing Expense														
911 001	Sales Expense (\$2.00/t.c.)	0	0	0	0	41	51	56	101	78	92	87	507	507	(0)
912	European Office														
001	Fees	0											0	0	0
002	Expenses	87	57	17	17	17	17	17	17	17	17	17	297	258	39
Total for Account 912		87	57	17	17	17	17	17	17	17	17	17	297	258	39
913	Commissions														
001	Boliden	0											0	0	0
002	Mitsui	0											0	0	0
Total for Account 913		0	0	0	0	0	0	0	0	0	0	0	0	0	0
914	Sales & Promotion Expense														
001	Conventions, Meetings & Conferences	0											0	0	0
002	Advertising & Sales Promotion	0											0	0	0
003	Entertainment	0											0	0	0
004	Other	0											0	0	0
Total for Account 914		0	0	0	0	0	0	0	0	0	0	0	0	0	0
=====															
TOTAL ACCT 910 - MARKETING EXPENSE		87	57	17	17	58	68	73	118	95	109	104	804	765	39
920 001	Smelter Charges - Zinc	0											0	0	0
930 001	Revenues - Zinc	0											0	0	0
940 001	Smelter Charges - Lead	0											0	0	0
950 001	Revenues - Lead	0											0	0	0
960	Financial Expense	0											0	0	0
961	Interest Expense														
001	Banks	0											0	0	0
002	Dome/CANC	0											0	0	0
003	Government	0											0	0	0
Total for Account 961		0	0	0	0	0	0	0	0	0	0	0	0	0	0
962	Lenders Fees														
001	Engineering	0											0	0	0
002	Legal	0											0	0	0
003	Other	0											0	0	0
Total for Account 962		0	0	0	0	0	0	0	0	0	0	0	0	0	0
963 001	Commitment & Standby Charges	0											0	0	0

Account Number	Description	Expend. To-Date	1986										Total 1986	Previous Total	Variance Jan/Feb.86	
			Mar-86	Apr-86	May-86	Jun-86	Jul-86	Aug-86	Sep-86	Oct-86	Nov-86	Dec-86				
964 001	Banking Charges	0												0	0	0
965 001	Income Tax	0												0	0	0
966 001	Interest Income	0												0	0	0
967 001	Other Financial Expense	3,219												3,219	3,219	0
TOTAL ACCT 960 - FINANCIAL EXPENSE			3,219	0	0	0	0	0	0	0	0	0	0	3,219	3,219	0
980	Capital Transactions															
981 001	Shareholder Contributions	0												0	0	0
982	Drawdown & Repayments															
001	Credit Facilities - Banks	0												0	0	0
002	Credit Facilities - Dome/CAMC	0												0	0	0
003	Credit Facilities - Government	0												0	0	0
004	Credit Facilities - Other	0												0	0	0
Total for Account 982			0	0	0	0	0	0	0	0	0	0	0	0	0	0
983 001	Dividends Paid	0												0	0	0
984 001	Royalties Paid	0												0	0	0
985 001	Other Capital Transactions	0												0	0	0
TOTAL ACCT 980 - CAPITAL TRANSACTIONS:			0	0	0	0	0	0	0	0	0	0	0	0	0	0
**TOTAL ACCT 900 - MARKET. & FINANC.**			3,306	57	17	17	58	68	73	118	95	109	104	4,023	3,984	39
*****TOTAL OPERATING ACCOUNTS*****			10,087	3,423	3,801	4,604	5,970	7,514	7,600	9,798	10,221	10,104	9,347	82,469	81,421	1,048