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CURRAGH RESOURCES INC.

Inter-Office Memorandum

TO: Ralf Kintzi, Chief Mine Engineer
Faro Mine

FROM: Cam Reed, Geologist
Whitehorse Office

cc: Whitehorse Office
Gregg A. Jilson, Vice-President, Exploration
Ion Vintila, Consulting Engineer
Lee C. Pigage, Senior Geologist
Faro Mine
Ed Blaxland, Chief Geologist

RE: NEW VANGORDA MODEL

DATE: 12 08 1989

Below is a table comparing 1988 Vangorda Model (V8803) to the new V8911G model. Reserves are calculated within the December, 1988 Ion Vintila pit design for both models. The new 1989 interpretation has benefited from 63 additional holes drilled in 1988 to better define the margins of the deposit and to better define the shallow reserves southeast of Section 12.0E.

The new interpretation was loaded into a 3m and 6m bench height block model. Several different models have been run using bench and geology grade composites. A decision has not been made as to which model is final.

The old V8803 model was calculated on a 6m high bench using geology composites. The table below includes the new V8911G model which was calculated using the same interpolation procedure.

As you can see, the new model shows about 8% loss total metal (at 4% cutoff) within the old pit design. I believe a large proportion of the metal will be recovered once the pit design is modified to ~~reflect~~ res,rec the new interpretation.

Ion is currently in Whitehorse completing a new pit design and I will send you the results when he is finished.

CR*geb

Curragh Resources Inc. 08-Dec-89
Vangorda Deposit
Model Comparisons

6m Benches (New Model)

V8911g (Geology Composites - undiluted)

Cat.	Tonnes	Vol(cu.m)	S.G.	%Pb+Zn	Metal
+6%	4,994,060	1,223,770	4.08	10.01	499,806
+5%	5,361,290	1,342,880	3.99	9.70	519,992
+4%	5,651,980	1,437,240	3.93	9.43	533,151
+3%	6,050,880	1,562,090	3.87	9.04	547,000
5-6%	367,230	119,110	3.08	5.50	20,186
4-5%	290,690	94,360	3.08	4.53	13,160
3-4%	398,900	124,850	3.20	3.47	13,848
Uninterp.	124,700	35,120	3.55		
Sul Wst	1,839,260	508,470	3.62		
Rk Wst	6,452,510	2,389,810	2.70		
Till	6,551,110	3,121,060	2.10		
Undiff	1,390,650	515,060	2.70		
Total Wst	16,233,530	6,534,400	2.48		
Strip (+4%)	2.87				
Total Sulph Vol.		2,105,680			
Total Pit Volume		8,131,610			

6m Benches (Old Model)

V8803 (Geology Composites - undiluted)

Cat.	Tonnes	Vol(cu.m)	S.G.	%Pb+Zn	Metal
+6%	5,559,570	1,363,920	4.08	9.80	545,005
+5%	5,951,940	1,491,720	3.99	9.52	566,446
+4%	6,347,480	1,617,440	3.92	9.20	584,222
+3%	6,819,970	1,763,580	3.87	8.81	600,635
5-6%	392,370	127,800	3.07	5.46	21,441
4-5%	395,540	125,720	3.15	4.49	17,776
3-4%	472,490	146,140	3.23	3.47	16,413
Uninterp.	3,840	1,230	3.12		
Sul Wst	1,782,260	494,210	3.61		
Rk Wst	6,361,270	2,356,030	2.70		
Till	7,401,380	3,526,140	2.10		
Undiff	0	0			
Total Wst	15,544,910	6,376,380	2.44		
Strip (+4%)	2.45				
Total Sulph Vol.		2,259,020			
Total Pit Volume		8,141,190			

6m Benches

%Variance (v8803-v8911g/v8803*100)

Cat.	Tonnes	Vol(cu.m)	S.G.	%Pb+Zn	Metal
+6%	10.2	10.3	-0.1	-2.1	8.3
+5%	9.9	10.0	-0.1	-1.9	8.2
+4%	11.0	11.1	-0.2	-2.5	8.7
+3%	11.3	11.4	-0.2	-2.6	8.9
5-6%	6.4	6.8	-0.4	-0.6	5.9
4-5%	26.5	24.9	2.1	-0.7	26.0
3-4%	15.6	14.6	1.2	0.1	15.6
Uninterp.	-3147.4	-2755.3	-13.7		
Sul Wst	-3.2	-2.9	-0.3		
Rk Wst	-1.4	-1.4	-0.0		
Till	11.5	11.5	0.0		
Undiff					
Total Wst	-4.4	-2.5	-1.9		
Strip (+4%)	-17.3				
Total Sulph Vol.		6.8			
Total Pit Volume		0.1			

$note : undiff is undifferentiated till or rock waste