

CURRAGH RESOURCES INC

007264

INTER-OFFICE MEMORANDUM

FARO MINE SITE

DATE: February 14, 1991

TO: Dave Tenney
Chief Geologist

FROM: Mitch Wasel
Senior Geologist

SUBJECT: MINING RECOVERY OF VANGORDA UPPER BARITIC ORE HORIZON

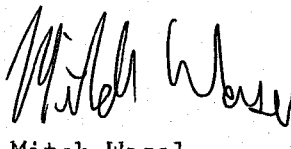
Since the start up of mining at Vangorda there has been a discrepancy between blasthole reserves and geomodel calculated reserves.

The upper baritic horizon (62) consists mainly of thin highly folded and faulted bands. The thin nature and structural complexity of the upper horizon tends to increase mining loss. The highest percentage of upper horizon ore occurs on benches 1146 through 1128 (approximately 65%). Reconciliations between blastholes and geomodel values show that many of the upper horizon bands are not recovered. Since mining commenced at Vangorda approximately 50% of the upper horizon has not been recovered (~ 170,000 tonnes).

A rough estimate of remaining unrecoverable upper horizon ore can be calculated assuming a 50% recovery. The amount of unrecoverable upper baritic ore calculated was approximately 230,000 tonnes. A more detailed calculation of unrecoverable upper horizon ore is underway and another memo will be issued upon completion.

The completion of the 1128 bench will account for a large portion of the remaining upper baritic horizon. (~ 200,000 tonnes). With the 1128 bench gone the upper baritic horizon will account for only 5% of the remaining baritic ore (~ 400,000 tonnes). Benches following the 1128 bench should have higher recoveries.

The total approximate amount of unrecoverable upper horizon ore will account for about a 400,000 tonne loss from the total geologic reserve.



Mitch Wasel
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