

007868

27th February 1986

To:- Mr. M. H. Pelley

From:- Mr. G. A. Jilson

Re:- JB phase and related drilling at Faro

Attached is a table giving recommendations for positions of eight holes designed to test the largest gaps in the JB phase drill pattern.

Priority has been given to those holes that test areas where large tonnages are predicted based on the longest extrapolations from existing drill holes. One hole has been added to test the grade of ore beneath the north end of the JB phase. All holes have been given enough footage to completely penetrate the mineralized zone.

These 8 holes total 1530' compared to the 15 holes totaling 2600' that we have already discussed. Two additional holes scheduled for the A phase and Ramp Zone if pushed through the entire mineralized body will add another 450' for a grand total of 1980'.

Direct drilling cost for the total programme would be \$43,500. The incremental cost of the 7 additional holes in the JB zone over the three holes already committed to is \$30,000. Assaying would add another \$13,000 for a complete suite of elements (half that for the basic Cu,Pb,Zn,Ag, and #SG).

1530
130
320
150
170

1980
170
1810
500
1310

#1 160' subbudget'

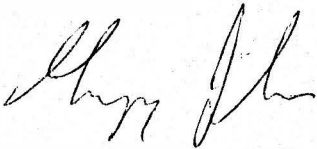
#7 300'

An optimum schedule for this program would be;

	start drilling	3rd March
	complete drilling	21st March
initial analysis - logging	complete	22nd March
core splitting	complete	25rd March
	assays returned	10th April

If significant changes to the geology were required it would propably be late April at the earliest before results could be available from a new hand calculated model. If the geological model is in general confirmed then no major data analysis would be needed in the short term but these new drill holes should be incorporated into the next generation Faro model as soon as practical since they will provide helpful geostatistical data for the remainder of the deposit.

From my experience with the Faro deposit, I would say if the top of sulphides is within \pm 10 feet of the predicted top then the model is confirmed.

A handwritten signature in cursive script, likely belonging to the author of the document, positioned at the bottom left of the page.

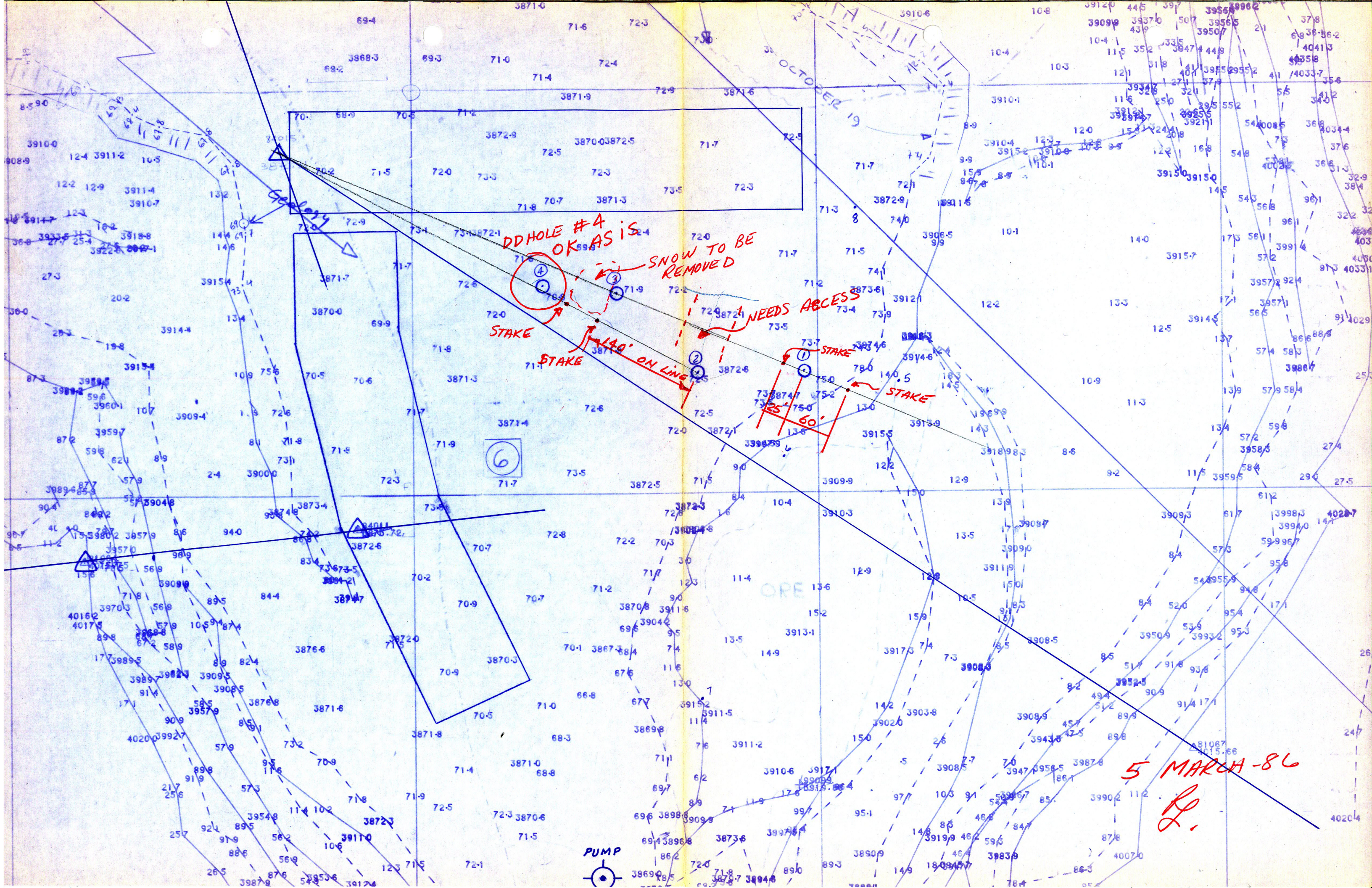
HOLE #	NORTHING	EASTING	DEPTH	PREDICTED TOP OF SULPHIDES	PREDICTED THICKNESS OF SULPHIDES	PURPOSE	COMMENTS
1 1	765 X 2	1548 X 2	160	3810	92	Test position and continuity of main block	Will double as the Fairburn test hole
Not Accessible 2	724 X 4	1535 X 5	120	3870	88	Test position and continuity of upthrown block	
2 3	765 X 0	153 X 50	160	3798	78	Test continuity of main block	
Not Accessible 4	75 X 47	154 ⁵ X 6	150	3825	73	Test east edge of main block	
4 5	775 X 8	1515 X 8	220	3792	127	Test west edge of main block	
Not Accessible 6	763 X 8	15 X 597	200	3864	150	Test east edge of main block	Main band at 3820 elev., 105' thick
1 7	78 X 52	155 X 47	300	3832	249	Test grade of ore below JB zone	Main band at 3758 elev., 194' thick
3 8	775 X 0	152 X 50	220	3797	130	Test upper horizon	Main band at 3772 elev., 105' thi

1530

4 March 86

Correct Drill hole locations in JB phase area.

	Northing	Easting	Depth	Date Required
86-02	7652	15482	160'	Wed. March 5
86-03	7650	15350	160'	Thurs. March 6
	7750	15250	220'	Fri. March 7
	7758	15158	220'	Sat. March 8
	7638	15597	200'	indefinite
	7547	15456	150'	↓
	7244	15355	120'	
	7852	15549	300'	



DDHOLE #4
OK AS IS

SNOW TO BE
REMOVED

NEEDS ACCESS

STAKE

STAKE

ON LINE

STAKE

STAKE

6

PUMP

5 MARCH -86

L.

KILBORN ENGINEERING (B.C.) LTD.

INTER - OFFICE MEMORANDUM

FROM J. B. FAIRBAIRN TO L. P. TAGGART - FARO
DATE FEBRUARY 19, 1986 COPY TO K. JOHNSON
SUBJECT CURRAGH COPY TO H. F. BEATTIE
FILE No. 3509-17 COPY TO P. ROBERTS
COPY TO G. JILSEN - VANCOUVER

RE: CONFIRMATION TEST HOLES

Diamond Drill test holes have been requested by C. Frame. These holes are to test ore in JB Phase and A Phase. In addition, I have laid out one hole in the Ramp Zone which is for metallurgical bench testing. There is a question as to what amount of oxidation may be present in that area.

Ken Johnson has obtained quotes for the drilling from Arctic Diamond Drilling Ltd. and E. Caron Diamond Drilling Ltd. The total cost of the Arctic Diamond Drilling Bid is the better of the two, and therefore I am recommending Arctic Diamond Drilling Ltd.

Drill holes are to be NQ and locations are as follows:

JB Phase

Coordinates: 7,680 N 15,515 E
Depth of Hole: 120'
Top of Ore: 3,810' Elevation

A Phase

Coordinates: 9,500 N 14,750 E
Depth of Hole: 200'
Top of Ore: 3,730' Elevation

Ramp Zone

Coordinates: 6,610 N 15,250 E
Depth of Hole: 130'
Top of Ore: 3,970' Elevation

All drill holes are vertical.

Drill hole locations and collars will have to be staked by surveyors, and roads to drill sites prepared.

February 19, 1986

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Memo - Curragh - Confirmation Test Holes

G. Jilsen will be in Whitehorse February 25, 1986 and will come to the site during the drilling to supervise the drilling and log the core.

Regards,

Bart.

JBF/mr

re: JB extended phase reserves

In order to significantly enhance the state of knowledge of the ore distribution in the area of the JB phase ~~would require~~ 15 short drillholes totalling 1860' would be required

As NP diamond drill holes this would cost approximately \$43,000 (at approx \$23/ft). As reverse circulation percussion holes this would cost approximately \$28,000 (at approx \$15/ft). The advantage gained from the extra \$15,000 cost of diamond drilling over percussion would be assured quality of samples and precise definition of the ore waste boundary.

To push these holes deeper than the bottom of the JB phase such that they would penetrate the entire ore zone would require an additional 740' or 2600' total. For Diamond drilling this would amount to a total cost of \$60,000 vs \$39,000 for percussion. Assaying would add \$6500 ~~is~~ \$12,000 to the respective programs (5' samples at \$35m)

In reviewing the core and log sections in relation to the JB phase boundary it appears that the tonnage of high grade ore available for mining could be significantly enhanced by pushing the north wall of the phase further north about 100' and extending down two more benches in the north part of the phase. ^{This is dependent on the actual distribution of grade} The incremental strip ratio does not appear excessive ^{must confirm with model output} compared to the overall ratio of the JB phase. Since this area is relatively well drilled only a few additional

holes would be warranted in this area. Exposing deeper mineralization in the JB area would of course eliminate none of the risk in the upper benches but it would, at least, offer a chance to recover short falls experienced there.

Arctic Diamond drilling has been awarded the contract for 500' of ND drilling in 3 holes. The footage cost is \$20/ft. plus \$2700 mobilization and demobilization and \$10⁰⁰ per core box and lids. For a 500' contract this amounts to \$26/ft or a total cost of \$13,000. Arctic will mobilize the drill rig on Monday March 1, arriving on the property about noon.

If we proceed with this program we must face the problem of getting this new drill data into a useable model. ~~Using~~ Mintec's Medsystem could be used. If no changes are needed to the geology it would be relatively quick to add the new holes and re interpolate the part of the FI model we are looking at. On the other hand if extensive modifications to the geology are required a longer delay would be encountered.

Keith Roleski - Arctic D.D.

Trench - for mud tanks

Murry Smith at Hotel Georgia

Hank Beatty - Preston called back
sites prepped, & contract let?

Arctic Diamond Drilling
arriving Monday lunch time with drill rig

preping 3 sites for them

\$20/foot coring in bedrock (total contract is 500')
+ core boxes $850 + 200$ / box + lid.

7
~~15,000~~
20

\$2700 mob + demob.

\$2700 mob/demob
+ 292 core boxes (500')
\$2992 total extras

For 500' or total cost / ft is \$26

ATTN: MR. M.H. KELLEY
CURRAGE RESOURCES WHITEHORSE

FROM: GA JILSON - ENGINEERING

RE: 3B PHASE ADDITIONAL DRILLING

HOLES NO. 2 NO. 4 AND NO. 5 ARE IN AN AREA OF BROKEN ROCK. CAN'T GET ACCESS TO THESE SITES UNTIL LATE APRIL WHEN THE AREA IS SCHEDULED TO BE MUCKED OUT. THERE IS NOT SUFFICIENT BOZER CAPACITY TO BUILD ACCESS NOW. BEST PLAN WOULD BE TO REQUEST ARCTIC DIAMOND DRILLING TO LEAVE THE DRILL ON SITE AND MOBILIZE A CREW IN APRIL TO DRILL THESE HOLES.

FROM OPERATIONS VIEW NO. 1 SHOULD HAVE TO BE DRILLED IMMEDIATELY BUT THIS IS NOT A HIGH PRIORITY HOLE THEREFORE I SUGGEST IT BE POSTPONED INDEFINITELY.

THE REMAINING HOLES SHOULD BE DRILLED IN THE SEQUENCE:

NO. 1
NO. 4 NO. 2 NO. 5

IN ORDER NOT TO INTERFERE WITH MINE OPERATIONS.

DRILL IS ON SITE OF HOLE IN PHASE A SINCE THIS IS ONLY CHANCE TO DRILL THIS HOLE. WILL NOT PUSH THROUGH ORE ZONE IN ITS ENTIRETY AS CLOSE TO AN EXISTING DRILL HOLE.

HAVE PUT IN REQUISITION FOR ADDITIONAL 1200 FT OF DRILLING BUT THIS AMOUNT IS NOT IN BUDGET THUS REQUIRE AUTHORIZATION FOR THIS EXPENDITURE TO BE FORWARDED TO PETER TAGGART AS SOON AS POSSIBLE.

REGARDS

GA JILSON
CURRAGE RESOURCES
FARO TLX 026 8 298
IMPOT
FARO TLX 026 8 29
IMPOT.

PLEASE GIVE MR. KELLEY AS SOON AS POSSIBLE
THANK YOU.