

Faro NW Exploration AFEIntroduction

The Faro deposit is the most northwesterly of the stratiform - type Pb-Zn-Ag massive sulphide deposits discovered to date in the Anvil District. Before mining it consisted of 57.6 million tonnes of reserves with an average grade of 3.4% Pb and 5.7% Zn (at a cutoff grade of 5% (Pb + Zn)).

The Vangorda and Mt Mye formations (favourable stratigraphy for Anvil District stratiform-type mineralization) continue along the structural trend northwest from the Faro Deposit. Until recently this favourable exploration area has been held by other companies. Curragh Mining Properties Inc. now controls the mineral rights for land extending 17 kilometers northwest of the Faro Mine Site.

Most mineral claims in this area are owned 100% by Curragh Mining Properties Inc. TSS claims are held jointly with Teck Mining Corporation (60% CMPI). HECK, LA, DEE, DA, and HEK claims are held jointly with HECLA (56% CMPI). In both cases Curragh Resources Inc. is the operator. Most claims expire in the early to mid 1990's, although a small portion expire in 1989. Only the RV claims remain eligible for filing nonphysical work for assessment.

Access to the area is readily available by ATV and 4x4 vehicles through a network of dirt roads and cut lines. Much of the area is at or just above tree line.

Previous Work

Exploration drilling, ground geophysics, geologic mapping, and grid soil geochemistry has been completed in the area by a number of different companies working at different scales. Early records of drill holes are often incomplete and poorly documented.

Previous regional mapping was completed in the early to mid 1970's at a scale of 1:12,000. This work broadly indicated that the favourable stratigraphic interval for Anvil District stratiform-type mineralization extended through the area.

During 1988 a detailed geologic mapping exploration program was initiated immediately northwest of the Faro Mine Site and extending for 9 kilometers to the northwest. Mapping was completed at a scale of 1:5000; it confirmed that the favourable stratigraphy for mineralization did occur in the map area. However, late extensional and wrench faults were shown to be much more important than previously realized in controlling areal distribution of the different stratigraphic units. Although no mineralization was discovered, the favourable stratigraphy was successfully identified in a single diamond drill hole northwest of the Mine Site. Several additional areas with exploration potential were also outlined as a result of the mapping program.

Proposed Program

A continuation of the 1988 exploration program is proposed for the Faro Northwest area. The program is intended to further define and explore favourable areas for Anvil District stratiform - type mineralization.

The first phase of the project will consist of detailed geologic mapping at a scale of 1:5000. Mapping will start where the 1988 mapping program finished and extend northwest to Anvil Creek. The program will also incorporate earlier exploration information onto this 1:5000 scale base.

The second phase of the project will consist of diamond drilling of targets outlined during the 1988 field program. A total of 1500 meters in up to 5 drill holes is proposed. The drilling is designed to test the mapped stratigraphy immediately northwest of the Faro Mine Site for significant mineralization.

An integral part of the drilling program will be the use of borehole geophysics on the completed drill holes. Down-the-hole EM measurements will be completed on each of the holes. EM systems are able to detect conductive horizons for a distance of up to 100 meters away from the drill hole. Even if the drilling did not intersect mineralization, the borehole geophysics could provide additional information concerning the presence/absence of blind mineralization.

Project Justification

Further evaluation of the Faro Northwest area requires the more detailed information provided by the 1:5000 scale mapping. Without this information, generation of exploration targets will be based on earlier, poorly documented exploration data which has been retrofitted to new ideas concerning folding patterns and extensional and wrench faulting.

Similar 1:5000 scale mapping previously completed on the Vangorda Plateau and between Grum and Faro has shown that Faro and Grum may once have been connected. Displacement on the Tie fault northwest of Grum is such that the favourable ore horizon has been removed by erosion between Faro and Grum. The implication of this interpretation is that extension of the Faro mineralization is highly likely if it is not eroded or engulfed by the Anvil Batholith. Detailed mapping of the folds and faults northwest of the Faro deposit is required to define geologically favourable drill targets for Anvil District stratiform-type mineralization.

Borehole geophysics is a new exploration tool for the Anvil District. It will provide for the opportunity to detect sulphide mineralization away from the actual drill hole. At the least it will provide facings directions for conductive horizons.

The proposed program will define additional structurally and stratigraphically favourable areas for further mineral exploration. It is a continuation of the exploration program initiated in 1988. The favourable areas will be drill tested in future programs.

Alternatives

One alternative is to postpone the project, resulting in continued evaluation of mineral potential of the area from an outdated geologic database. Postponement of the project will also mean that the 3 year period during which nonphysical work can be filed for assessment (RV claims) will pass, and these claims can only be held by physical work or cash-in-lieu.

Another alternative would be to postpone the second phase of the project. With this scenario costs for the project would be reduced significantly. At the same time the geologic database would be improved because of the continuation of the geologic mapping. Failure to drill test the existing targets, however, results in continued delay before evaluation and development of any successful discovery.

FARO NW - PHASE 1

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	MAY	JUNE	JULY	AUGUST	SEPT.	OCT.	TOTAL
CONTRACT GEOLOGIST	3,150	9,000	9,000	9,000	6,000	3,150	39,300
FIELD ASSISTANT		3,000	3,000	3,000	1,500		10,500
DATA ENTRY						2,100	2,100
TRUCK RENTAL		1,200	1,200	1,200	1,200		4,800
ATV/TRAILER RENTAL	220	880	880	880	880		3,740
GAS		400	400	400	400		1,600
MISCELLANEOUS SUPPLIES	2,000				500		2,500
TRAVEL	2,000						2,000
ROOM AND BOARD \$50/MAN-DAY	1,000	2,000	2,000	2,000	1,500	1,500	10,000
HELICOPTER (20 HOURS)			6,000	6,000	1,000		13,000
ANALYSES					2,500		2,500
PETROGRAPHY-50 SAMPLES					5,000		5,000
	=====	=====	=====	=====	=====	=====	=====
	8,370	16,480	22,480	22,480	20,480	6,750	97,040

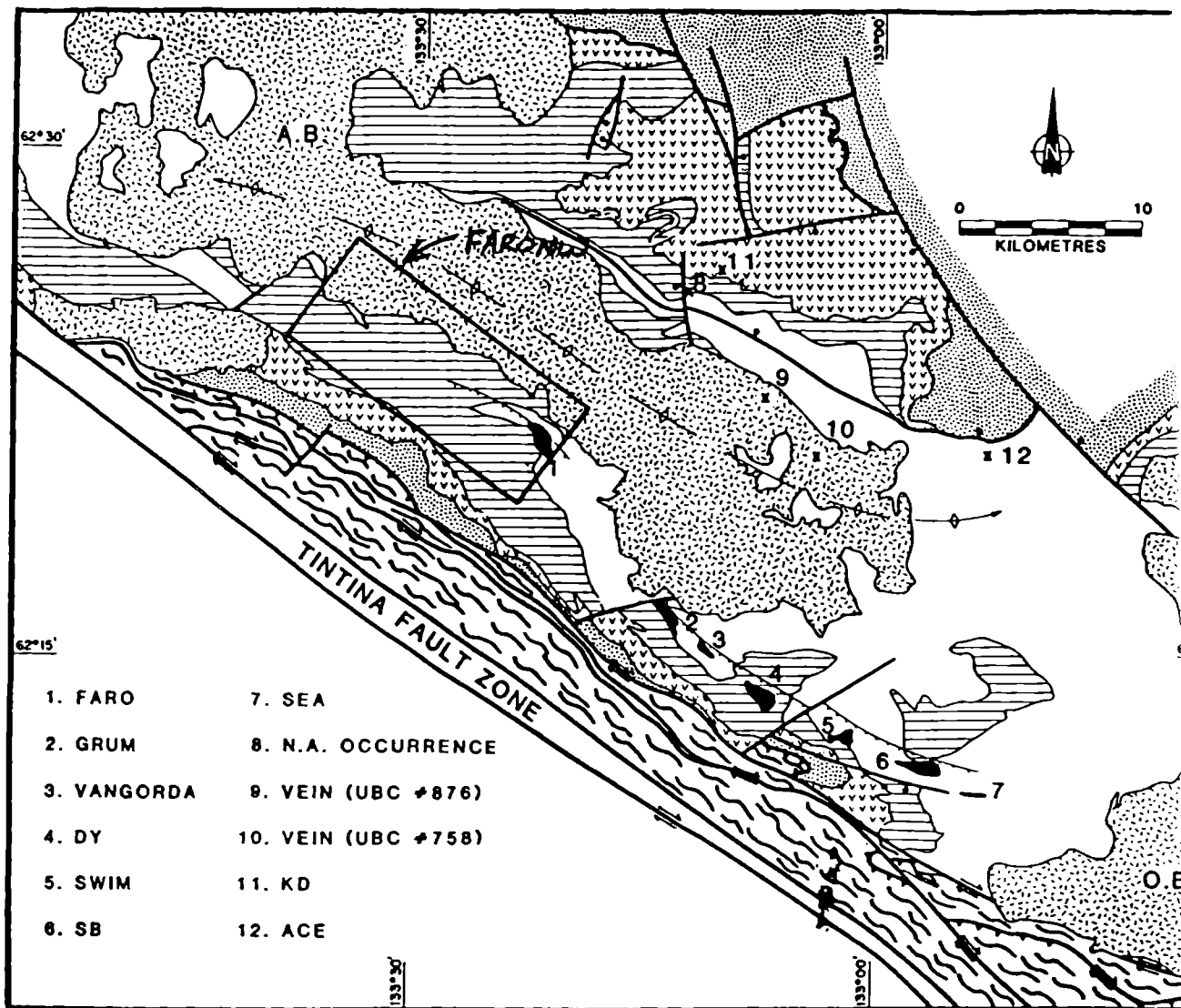
FARO NW - PHASE 2

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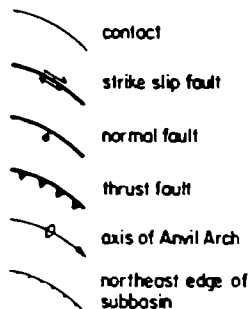
	MAY	JUNE	JULY	AUGUST	SEPT.	OCT.	TOTAL
CONTRACT DIAMOND DRILLING \$110/M=1400M (4700 FT)			78,500	78,500			157,000*
ASSAYS 100 @ \$50				5,000			5,000
BOREHOLE GEOPHYSICS			25,000	25,000			50,000*
			=====	=====			=====
			103,500	108,500			222,000
GRAND TOTAL	=====	=====	=====	=====	=====	=====	=====
	8,370	16,480	125,980	130,980	20,480	6,750	309,040

* Borehole geophysics based on Boliden estimate. Using Canadian contractors likely to be half of this price - in which case monies would be added to diamond drilling

GEOLOGY AND MINERAL DEPOSITS ARE INDICATED



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|-------------|---------------------|
| 1. FARO | 7. SEA |
| 2. GRUM | 8. N.A. OCCURRENCE |
| 3. VANGORDA | 9. VEIN (UBC #876) |
| 4. DY | 10. VEIN (UBC #758) |
| 5. SWIM | 11. KD |
| 6. SB | 12. ACE |



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| granodiorite and quartz monzonite
AB = Anvil Batholith OB = Orca Bay Batholith | VANGORDA FORMATION calcareous phyllite and equivalent calcsilicates, metabasite |
| EARN GROUP black shale, chert, chert pebble conglomerate, limestone, quartzite (includes undifferentiated Askin Group, Silurian and Devonian dolomite and quartzite locally) | MOUNT MYE FORMATION non calcareous phyllite and schist |
| MENZIE CREEK FORMATION metabasalt flows breccias and tuffs, graphitic phyllite (includes undifferentiated Rood River Group black shales locally) | undifferentiated rocks southwest of Finlayson Lake fault zone includes rocks of Yukon Cataclastic complex, Triassic sedimentary rocks, ultramafic and mafic plutonic rocks and basalt and varicolored chert of Permian or Pennsylvania Anvil Range Group |