

b2i4

SECTION 2.0

SUMMARY

2.01

INTRODUCTION:

Cyprus Anvil acquired the mineral property interests within the Anvil District of Kerr Addison Mines Ltd., Canadian Natural Resources Ltd. and Vangorda Mines Ltd. on ~~8~~.

Subsequently studies were initiated to establish the most economically attractive development program to be used to exploit these deposits.

A number of production alternatives were considered based upon those reserves in the Faro, Grum & Vangorda orebodies that are mineable by open pit methods.

DEPOSIT	MINEABLE RESERVES (D.M.T.)	Pb (PERCENT)	Zn	Ag (gms/D.M.T.)	Au
Faro	26145 ← Zone 1 & 3 26145 Zone 2 3690 ←	2.7	4.6	34.8	
Grum	15,583,000	3.05	4.97	46.97	
Vangorda	6,134,000	3.48	4.58	50.2	

SOURCES:

- Faro 1/3 & Faro 2 adjusted.
 Pb - 6%
 Ag - 6%
 Zn - 4%
 Tonnage - 5%
- Faro Zones I, II and III Mine Model November ~~1979~~. ~~Dec~~ Jan 19 1980.
 - Preliminary grade/tonnage model prepared by C.A.M.C. using Kerr Addison drill log data.
 - Preliminary grade/tonnage model based upon 1979 Vangorda drill program results prepared by C.A.M.C.
 - All reserves quoted at 4.0% Pb & Zn cut-off grade.
 - Data includes factors for dilution.
 - Vangorda mineable reserves include only those reserves between Section 12E & 2W.

b2je

The original drill hole log data was compiled and stored on magnetic tape by Noranda. This information was transformed to a format compatible with the computerized geologic model programs currently in use and utilized to compute approximate geological reserves. The application of associated programs and basic operating principles established the phase development of the open pit, generating volumes of material to be moved and ore grades by year as shown below.

P.T.O.