

*Swim
Expl
Geology*

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CANADIAN MINE DEVELOPMENT
A Division of Hillsborough Resources Limited

018751

November 28, 1990

Mr. Gregg Jilson
Curragh Resources Inc.
117 Industrial Road
WHITEHORSE, YT
Y1A 2T8

Dear Gregg:

RE: SWIM DEPOSIT - POTENTIAL FOR UNDERGROUND MINING

I reviewed the data which you sent to me, and have come to the conclusion that at the present state of the exploration work, underground work is not warranted.

The only reasonable grade (+ 10%) was intersected in holes A-6, A-23, A-25, and A-4, on sections 116SE and 118SE. Rough estimates indicate there are 350 - 400,000 tonnes of the higher grade.

In comparison with the grade mined underground at Faro, 12% ore would not be attractive. Otherwise the preproduction work consisting of a 150 m decline and 80 metres of raises would be required. Any other work would be in the ore.

Should you decide to upgrade the reserves, I would recommend surface drilling to define the ore in sections 116 and 118SE.

Best regards,

J. TATAK

/jt

Swim
Reserves

SWIM DEPOSIT

HIGH GRADE IN-SITU RESERVE

DENSITY 3.8 tns/cu. m

DRILL HOLE	FROM (m)	TO (m)	WIDTH (m)	LEAD + ZINC (%)	LEAD (%)	ZINC (%)	SILVER (g/t)	VOLUME (cu. m)	TONNAGE (tonnes)	LEAD/ZINC
✓ A4	58.8	66.7	7.9	8.7	3.6	5.1	33	25,900	98,420	0.71
	114.2	120.3	6.1	8.8	4.5	4.3	37	19,300	73,340	1.05
✓ A5	88.6	97.5	8.9	13.8	7.5	6.3	99	28,500	108,300	1.19
	108.5	112.0	3.5	9.2	5.1	4.1	48	11,200	42,560	1.24
	119.7	121.8	2.1	9.3	3.3	6.0	59	6,700	25,460	0.55
A6A	46.9	70.6	23.7	14.9	7.1	7.8	80	87,900	334,020	0.91
	141.7	144.4	2.7	11.0	5.5	5.5	50	10,000	38,000	1.00
✓ A9	130.6	132.2	1.6	8.8	3.7	5.1	38	6,400	24,320	0.73
A10	29.8	31.2	1.4	8.4	2.9	5.5	24	4,400	16,720	0.53
	108.5	116.6	8.1	8.5	3.1	5.4	72	25,600	97,280	0.57
✓ A12	97.6	103.5	5.9	10.1	5.2	4.9	21	21,800	82,840	1.06
A13	143.8	146.8	3	8.5	3.5	5.0	51	8,600	32,680	0.70
	155.3	156.8	1.5	9.8	4.6	5.2	56	4,300	16,340	0.88
A14	138.5	141.1	2.6	9.0	3.7	5.3	69	8,800	33,440	0.70
A15	104.8	107.5	2.7	9.9	3.6	6.3	45	8,900	33,820	0.57
A19	25.3	34.4	9.1	8.7	4.7	4.0	55	27,500	104,500	1.18
A20	48.7	56.9	8.2	8.0	3.1	4.9	45	19,800	75,240	0.63
A23	47.5	49.9	2.4	24.8	18.3	6.5	175	6,800	25,840	2.82
	55.4	57.7	2.3	16.3	8.6	7.7	6	6,500	24,700	1.12
A24	46.2	61.1	14.9	8.5	3.7	4.8	62	41,700	158,460	0.77
✓ A28	140.6	142.1	1.5	8.1	2.1	6.0	28	3,400	12,920	0.35
A29	39.7	56.6	16.9	8.2	4.7	3.5	38	30,400	115,520	1.34
	62.4	70.2	7.8	9.0	3.6	5.4	58	14,000	53,200	0.67
	131.9	133.1	1.2	11.5	3.4	8.1	34	2,100	7,980	0.42
	141.9	144.9	3	8.8	3.7	5.1	71	5,400	20,520	0.73
A30	123.6	132.8	9.2	10.5	4.8	5.7	50	21,200	80,560	0.84
	138.8	147.1	8.3	8.2	3.8	4.4	41	19,200	72,960	0.86
A31	70.8	73.8	3	8.9	3.2	5.7	60	7,100	26,980	0.56
✓ A33	63.0	65.2	2.2	13.2	5.8	7.4	65	6,400	24,320	0.78
	132.5	134.0	1.5	8.0	2.5	5.5	49	4,500	17,100	0.45
A42	153.2	161.4	8.2	8.0	3.9	4.1	48	22,500	85,500	0.95
TOTAL DEPOSIT				10.51	5.00	5.51	57.9	516,800	1,963,840	0.91

I Ventila blocks that are above 5% Pb+Zn

Calc by G Jilsm - to examine possible HG underground
 notes v. high Pb:Zn ⇒ bad oxidation
 see letter by J Takak in response.