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CURRAGH
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TELEFAX TRANSMISSION

TO: Godfrey MacDonald

FROM: **Gregg A. Jilson, Vice-President, Exploration**

WHITEHORSE OFFICE

DATE: 19/May/92 **TIME:** _____

ORIGINAL TO FOLLOW: **YES** ☐ **NO** ☒

SUBJECT: Your Meeting with PRM tomorrow

Colin says to give them the 3 volume report WH9103 entitled "Curragh Resources Inc. Dy Deposit Mineral Inventory" dated Dec 1991.

Two packages are attached:

1) Dy Deposit - very brief overview - details can be found in WH9103 - figures are from that report

2) Other Claims Exploration - brief introduction and summary of potential with some maps and sections to talk to - this is from the not yet complete report [scheduled for mid-June]

If all pages are not received, please contact Bette at 668-8034

THIS TRANSMISSION CONSISTS OF 16 PAGE(S)
(including cover page)

Enjoy your meeting

DY DEPOSIT

Introduction

Preliminary investigations of the Dy deposit confirm the general tonnage and grade of the deposit and the metal zonation within the deposit.

In situ mineral inventory has been calculated at 6, 8 and 9% Pb+Zn cutoff grades. At a 9% Pb+Zn cutoff the inventory is:

	Tonnes	Pb+Zn(%)	Pb (%)	Zn (%)	Ag (g/t)	Au (g/t)
9% Pb+Zn Cutoff						
Probable	13,133,000	12.58	5.71	6.87	83.1	0.86
Possible	8,223,000	13.33	5.27	8.06	78.0	0.87
Total	21,356,000	12.87	5.54	7.33	81.1	0.87

The distribution of tonnage at a 9% cutoff on PRM and CI claims for the main (or AB) zone is as follows:

	CI		PRM		Total	
	tonnes	proportion	tonnes	proportion	tonnes	proportion
Probable	12,830,000	97.7%	303,000	2.3%	13,133,000	100%
Possible	4,863,000	90.2%	526,000	9.7%	5,389,000	100%
Total	17,694,000	95.5%	828,000	4.5%	18,522,000	100%

[Note that the remaining 3.1 million tonnes of possible mineralization has not been distributed between PRM and CI but it is largely on CI claims]

This is not a material change from previous reserve statements of Cyprus Anvil.

Very preliminary mine planning has identified a stoping tonnage of 11.4 million tonnes averaging 13.94% Pb+Zn, 6.47% Pb, 7.47% Zn, 95.1 g/t Ag, 1.02 g/t Au.

Based on it's higher overall grade and zinc rich nature the target for early mining would be the B Zone along the northeast edge of the AB Zone. Fill-in drilling by CI has confirmed the grade of this target.

An advanced exploration program has been laid out including a 1700m access decline driven from the Blind Creek Valley at an elevation of 840m. The ore zone is at an elevation

of approximately 450m. The decline would be 6.2m wide by 4.12m high and be driven at -20% by trackless methods. An exploration drift will be driven 600m along the trend of the 'B Zone' and the zone will be drilled off on 30m sections from that drift. A bulk sample from the drift would be sent to the Faro Mill for testing. The advanced exploration program would require 75 weeks from startup to completion.

Production would initially be by conveyor out the decline. Depending on mineable reserves, ore hoisting could eventually be by shaft. Following underground delineation a shaft could be raised from the exploration workings.

Mining would likely be room and pillar methods on the gently dipping fold limbs, thicker areas would be benched. Longhole methods appear to be practical in fold noses. Narrow high grade zones may be mined by cut and fill. Initial mining rates are expected to be 1500 tonnes/day rising to 3500 tonnes/day during the conveyor phase of the operation. After shaft development rates up to 7800 tonnes per day are envisioned. Initial mining would be on the B Zone in the northeast part of the deposit. The A Zone would be mined later. The deeper parts of the A Zone, which the bulk of PRM's reserves occur within, would probably be mined towards the end of the mine life. Due to the current state of flux of mine planning the length of that mine life is not definitely resolved but would likely be between 8 and 15 years depending on rate of production and total mineable reserve.

The current plan is to haul ore to the Faro Mill for processing.

Current estimates of capital and operating costs for this project are not available. A production schedule by stoping area is also not available.

Figure 2

Shows the outline of the Dy deposit (projected vertically to surface) in relation to Curragh and Pelly River Mines claims. The position of the claims is based on legal surveys tied into latest survey control (the same control used to survey drillholes) and is accurate relative to

drill grid.

Figure 3

Shows the Dy claims that have been converted to 21 year mineral leases. Gale 46 in the southeast and Gale 13 in the north are Pelly River Mines holdings. Gale 26 and 27 have been legally surveyed and Gale 25 will be converted to a mineral lease since there is a documented discovery of mineralization on that claim. [will get to the decline and drillholes in a bit]

Figure 4

Topography and outline of the Dy deposit showing work done in 1989-1991. Four areas were investigated:

1) In the vicinity of 90DY01 - 90DY04, 89DS01 and 89DS02 ground conditions at a proposed shaft site were investigated. A vertical hole along the proposed shaft 90DY04 showed two significant fault zones, one near the top of the shaft, at a depth of 120m, and a second, larger zone near the bottom at the site of the proposed station. The faults are marked by heavily broken and gouged phyllites and are likely to carry significant water [figure 6 shows a cross section through this site]. This result has caused the shaft location to be reconsidered, however no conclusion has yet been drawn. A possible site in the central low grade sulphides is being considered, however concerns over subsidence during mining must be carefully investigated. Sites to the north of that investigated are also under consideration. The area to the east is one of thick unconsolidated overburden. Sites to the west and southwest are remote from the early target area and would require a significantly deeper shaft.

2) Seventeen holes were drilled along the alignment of a proposed exploration decline to test ground condition and hydrogeology. The holes encountered phyllites typical of the area. Several fault zones were encountered however their orientation and total number are unknown. Packer tests in the drillholes show that water inflow to the decline in the fault zones may be significant but relatively

little water inflow should occur in the unbroken phyllites between the fault zones. The decline can be expected to make approximately 300 gallons/minute when complete. Orientation of S_2 in the phyllites is not well known but it is expected to dip southwest towards the left side of a viewer standing at the decline face. Steep faults and joints in the 06° direction are expected, however other trends are likely.

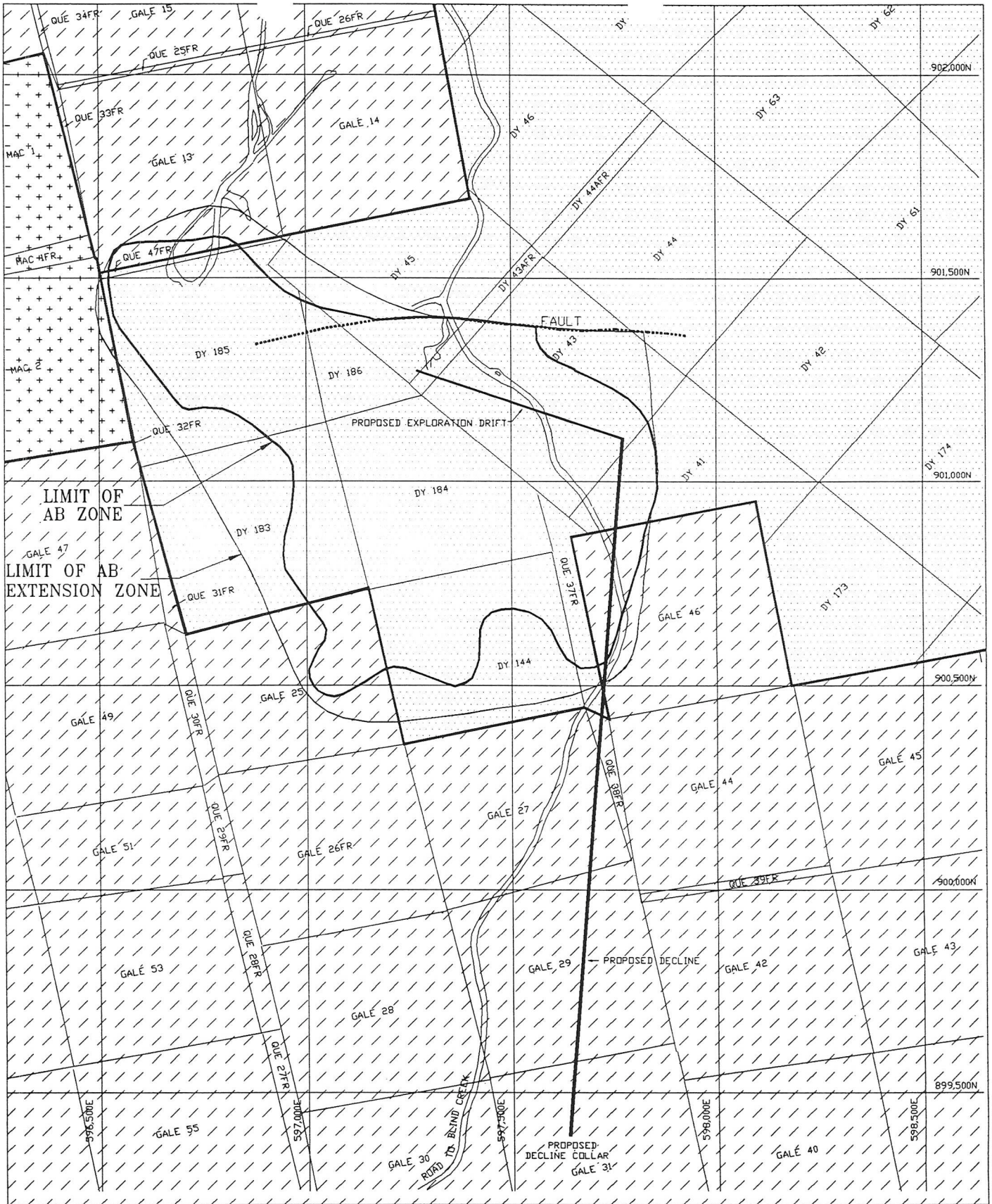
Collar conditions are good with limited overburden. The collar was moved slightly in light of the drill results. The trench for the portal collar has been partly excavated showing that the collar will be in moderately broken phyllites typical of the bedrock interface in the area.

3) Fill-in drilling was carried out on the B Zone. Three holes, 90DY09, 91DY03, and 91DY05 were targeted on this area. All returned intersections as good as or better than expected. Hole 90DY05 at the base of the proposed decline hit a thick high grade zone extending the previously inferred deposit limit.

4) Three holes were drilled to test an upper horizon which was a candidate for early production from the decline. These holes 91DY01, 02 and 04 did not intersect ore grade sulphides in the upper horizon. The holes were not drilled deep enough to test the remainder of the deposit but have been left cased and capped for future re-entry.

During the 1989-1991 period environmental baseline studies were conducted in the area and a preliminary report form the government review process was prepared. This report is still under review by the Kaska Dena First Nation and has not yet been submitted to government.

List of Figures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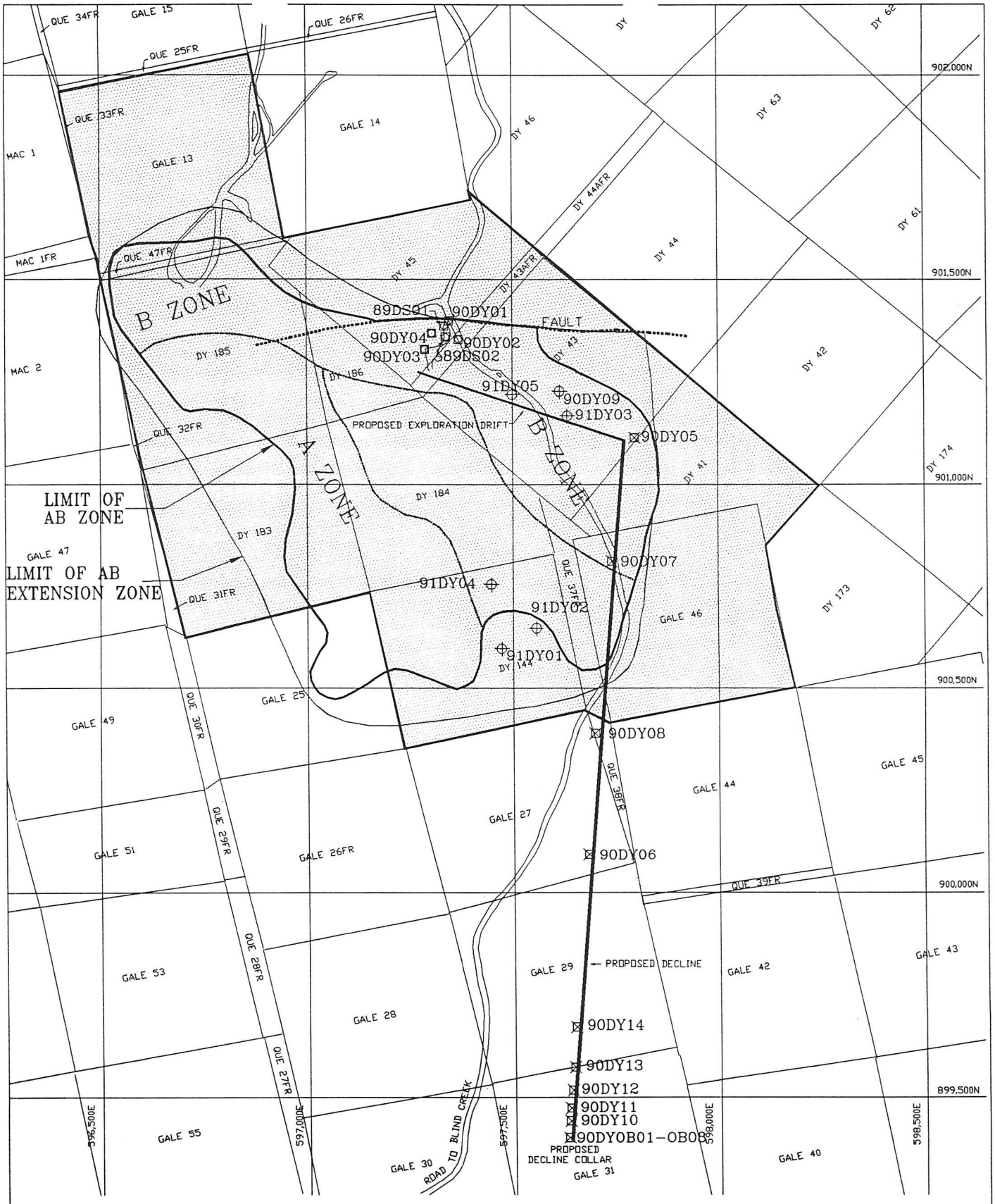
GALE 15
QUE 26FR
QUE 25FR
QUE 33FR
GALE 14
MAC 1
GALE 13
DY 46
DY 44AFR
DY 63
DY 62
DY 61
902,000N
MAC 1FR
QUE 47FR
DY 45
DY 43AFR
DY 44
901,500N
FAULT
DY 43
DY 42
MAC 2
DY 185
DY 186
PROPOSED EXPLORATION DRIFT
QUE 32FR
DY 41
DY 174
901,000N
LIMIT OF AB ZONE
DY 184
GALE 47
LIMIT OF AB EXTENSION ZONE
DY 183
QUE 31FR
QUE 37FR
GALE 46
DY 173
DY 144
900,500N
GALE 25
GALE 49
QUE 30FR
GALE 45
GALE 44
QUE 38FR
GALE 27
QUE 29FR
GALE 51
GALE 26FR
QUE 39FR
900,000N
GALE 43
GALE 53
GALE 29
PROPOSED DECLINE
GALE 42
QUE 28FR
GALE 28
QUE 27FR
899,500N
596,500E
597,000E
597,500E
598,000E
598,500E
GALE 55
GALE 30
ROAD TO BLIND CREEK
PROPOSED DECLINE COLLAR
GALE 31
GALE 40
0
250m
500m
N
REVISIONS:
Curragh Resources Inc.
DY PROPERTY
DY AREA - CLAIM OWNERSHIP
REPORT No.: WH9103
FIG. No.: 2
Drawn by: C.V.R.
Date: OCT 21 91
N.T.S. 105K3
Drawing No.: FILE: DYMRMAP
LEGEND:
CURRAGH RESOURCES INC
PELLY RIVER MINES
KERR-ADDISON/CNR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GALE 15
QUE 26FR
QUE 25FR
DY
DY 62
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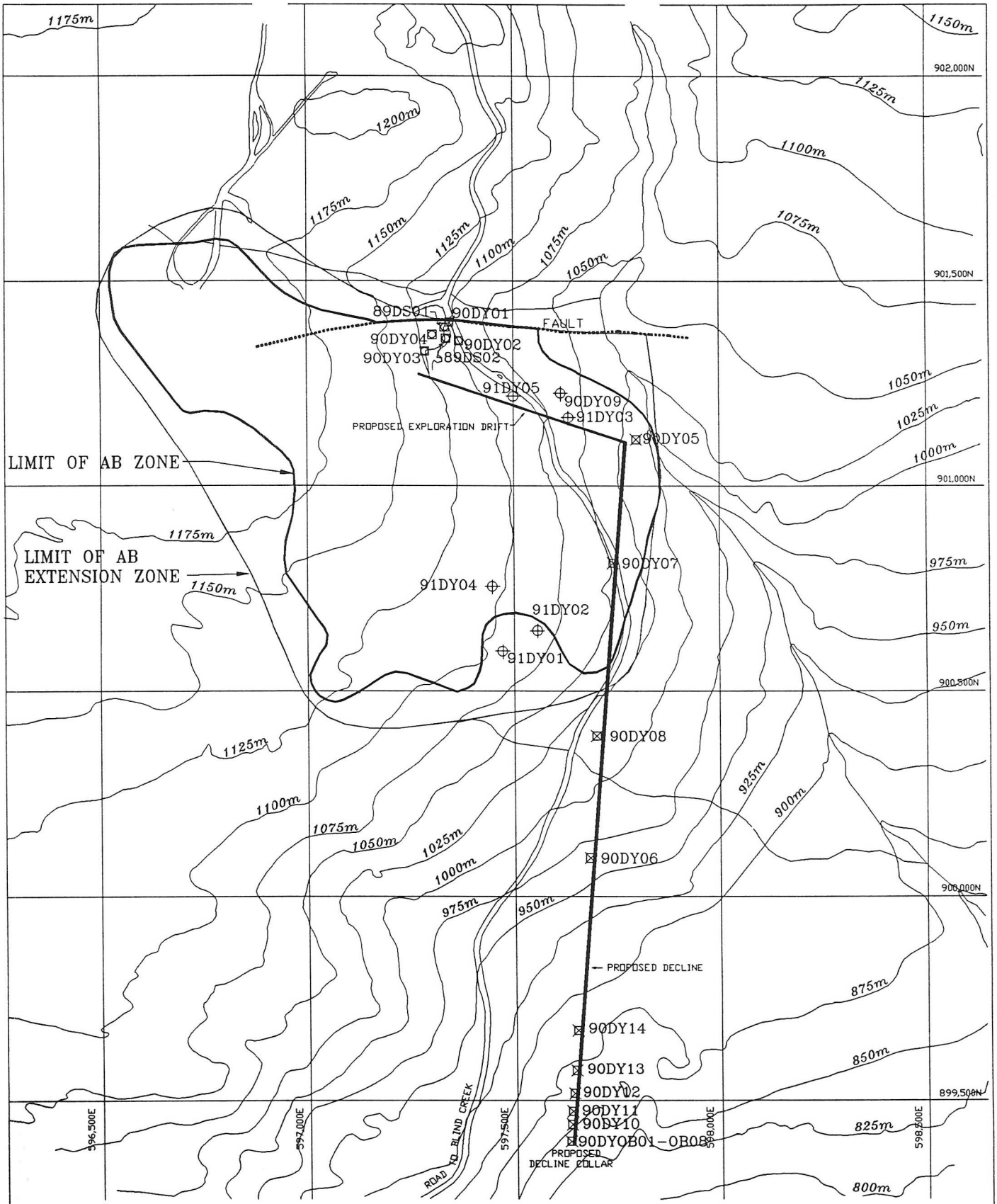
QUE 33FR
GALE 14
DY 46
DY 63
MAC 1
GALE 13
DY 44AFR
DY 61
MAC 1FR
QUE 47FR
DY 45
DY 44
DY 43AFR
901,500N
B ZONE
89DS01
90DY01
FAULT
90DY04
90DY02
90DY03
89DS02
DY 43
DY 42
MAC 2
DY 185
DY 186
91DY05
90DY09
91DY03
PROPOSED EXPLORATION DRIFT
90DY05
QUE 32FR
A ZONE
B ZONE
DY 41
DY 174
901,000N
LIMIT OF
AB ZONE
DY 184
DY 183
GALE 47
LIMIT OF AB
EXTENSION ZONE
90DY07
91DY04
QUE 37FR
QUE 31FR
91DY02
GALE 46
DY 173
91DY01
DY 144
900,500N
GALE 49
GALE 25
QUE 30FR
90DY08
GALE 45
QUE 38FR
GALE 44
GALE 27
GALE 51
QUE 29FR
GALE 26FR
90DY06
QUE 39FR
900,000N
GALE 53
QUE 28FR
GALE 29
PROPOSED DECLINE
GALE 42
GALE 43
GALE 28
90DY14
90DY13
90DY12
QUE 27FR
899,500N
596,500E
GALE 55
600,000E
ROAD TO BLIND CREEK
597,500E
90DY11
90DY10
90DY0B01-0B08
598,000E
598,500E
PROPOSED
DECLINE COLLAR
GALE 30
GALE 31
GALE 40
N
0
250m
500m
REVISIONS:
Curragh Resources Inc.
DY PROPERTY
DY AREA - MINING LEASE
REPORT No.: WH9103
FIG. No.: 3
Drawn by: C.V.R.
Date: OCT 21, 91
N.T.S.
105K3
Drawing No.: FILE: DYMRMAP
LEGEND:
DECLINE DRILLHOLE COLLAR LOCATION
INFILL DRILLHOLE COLLAR LOCATION
SHAFT DRILLHOLE COLLAR LOCATION
MINING LEASE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1125m
1200m
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1175m
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1100m
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901,500N
89DS01
90DY01
FAULT
90DY04
90DY02
90DY03
89DS02
91DY05
1050m
90DY09
91DY03
1025m
PROPOSED EXPLORATION DRIFT
90DY05
1000m
LIMIT OF AB ZONE
901,000N
1175m
LIMIT OF AB
EXTENSION ZONE
1150m
90DY07
975m
91DY04
91DY02
950m
91DY01
900,500N
90DY08
1125m
1100m
1075m
1050m
1025m
1000m
925m
900m
90DY06
900,000N
975m
950m
PROPOSED DECLINE
875m
90DY14
850m
90DY13
90DY12
899,500N
90DY11
90DY10
90DYOB01-OR08
825m
596,500E
597,000E
ROAD TO BLIND CREEK
597,500E
598,000E
598,500E
PROPOSED
DECLINE COLLAR
800m
0
250m
500m
N
REVISIONS:
Curragh Resources Inc.
DY PROPERTY
SURFACE TOPOGRAPHY
1989 - 1991 DIAMOND DRILLHOLE LOCATION PLAN
REPORT No.: WH9103
FIG. No.: 4
Drawn by: C.V.R.
Date: OCT 21, 91
N.T.S. 105K3
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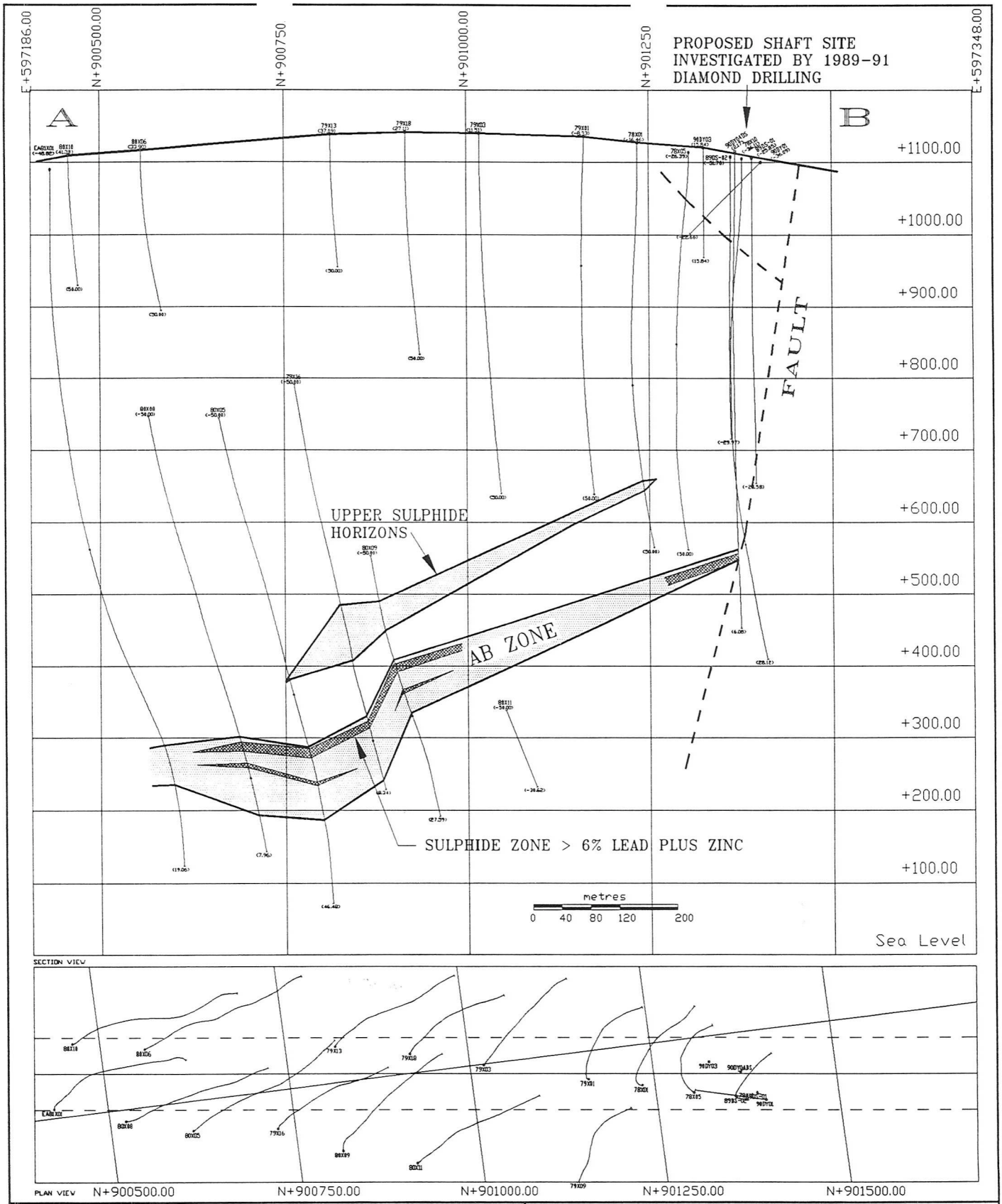
INFILL DRILLHOLE COLLAR LOCATION
SHAFT DRILLHOLE COLLAR LOCATION



Curragh Resources Inc.
FIGURE 6

DY DEPOSIT
VERTICAL SECTION
SHAFT LOCATION STUDY