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Faro Mine
Expl
Geophysics

Frontier Geosciences Inc.

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October 24, 1990

Curragh Resources Inc.
117 Industrial Road
Whitehorse, Yukon
Y1A 2T8



Attention: Mr. Gregg Jilson, Vice President, Exploration

Re: Initial Seismic Test Results
Faro, Yukon Territory

Dear Sir,

Following discussions with D. Penney of the Faro Mine and with the encouragement of Jerry Roth of Stratagex, the author visited the Faro mine site on September 27, 1990 to carry out initial evaluation of reflection seismic techniques for massive sulphide exploration. This visit was co-ordinated with other activities in the Whitehorse area and drew on the author's general knowledge of seismic techniques as well as a previous refraction test in the mine pit in 1986.

Initial seismic noise tests were conducted along a road incline in the pit wall above the underground workings in order to determine if mine noise levels would interfere with high resolution seismic surveying. The seismic cable was stretched out over a length of 150 m and refraction together with reflection geophones were connected to it. Seismograph amplifier gains were set at a maximum level and several recordings made.

Apart from the ambient noise produced by haul trucks in close proximity, the noise records displayed only one large amplitude event. This event was 60 Hz induction and was quickly corrected by properly grounding the geophone. All subsequent recordings displayed low amplitude random noise that would not interfere significantly with effective seismic data acquisition. However, at this location a greater obstacle to reflection surveying is the huge waste piles and mine infrastructure which would in most instances, rule out the use of reflection seismic techniques.

After an examination of the mine site area with Mr. D. Penney, of Curragh's Faro staff, we inspected the tailings pond where we understand future deep exploration for the extension of the Faro orebody will be carried out. It is our understanding that the massive sulphides and accompanying quartzite within the phyllite host are buried at this location at depths of approximately 300m.

I subsequently carried out a refraction seismic test traverse on the tailings pond in order to evaluate seismic velocities and potential for seismic surveying. The accompanying figure shows a four layer case with the basal layer with 4570 m/s velocity interpreted to be the bedrock surface. This lithologic unit displays a velocity magnitude similar to the 3600 m/s velocity recorded over phyllites in our limited pit investigation in 1986. The upper 370 m/s and 725 m/s layers are likely tailings with the intermediate 1600 m/s layer either the water table or glacial till. The uniform surface indicates this 1600 m/s layer is likely saturated sediments. Depths to bedrock vary from 32 m to approximately 58 m.

Based on our findings, we believe that suitably detailed high resolution techniques should be successful in mapping massive sulphides in the area. The sulphide/quartzite target is denser and more competent than the phyllite host observed in the pit walls. The reflection coefficient at this boundary should be significant. The technique would likely find more application in detailed exploration of future reserves rather than in the present production due to the presence of the loose waste piles and mine infrastructure above the present underground workings.

The tailings pond area slated for exploration is favourable for reflection testing and surveying due to the relatively flat ground surface. Frequency content could be lost to some extent in the low velocity 370 m/s and 725 m/s zones. In addition, the interface between the 1600 m/s and 4570 m/s layers will be a good reflector of energy with the resultant loss of energy down-going into the rock. Notwithstanding these expected conditions, we believe that the seismic reflection technique would prove successful in this environment.

Based on this favourable evaluation, we recommend that our initial five day seismic reflection test be undertaken in the tailings pond area which should provide 1.5 km of coverage. The cost to carry out this testing would be \$11,000.00. This figure includes a full crew mobilization/demobilization but does not include costs for two additional personnel or room and board which we assume could be provided on site.

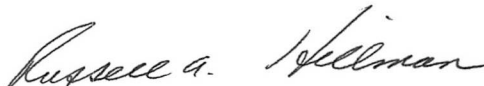
Production costs for subsequent seismic reflection surveying would be of the order of \$5,000.00 to \$6,000.00 per kilometer to be determined when the scope and specifications of the survey are known.

The survey would be carried out utilizing a 24 channel, 16 bit seismograph with 80 Hz or 100 Hz high resolution geophones located at 7.5 m intervals. Initial surveying would entail surface dynamite shots and geophone placement. If frequency content is lost due to the presence of loose tailings, subsequent testing would entail shots and geophone placement at the base of this low velocity surface layer. The common offset technique developed by the Geological Survey of Canada would be utilized with data processing carried out on a desk top computer and plotter facility. Common depth point shooting will also be evaluated for its effectiveness. Optimal timing of the survey would be in early spring when weather and ground frost conditions permit.

We look forward to your favourable consideration of our proposal. If we can be of further assistance or answer any questions you may have, please don't hesitate to contact us.

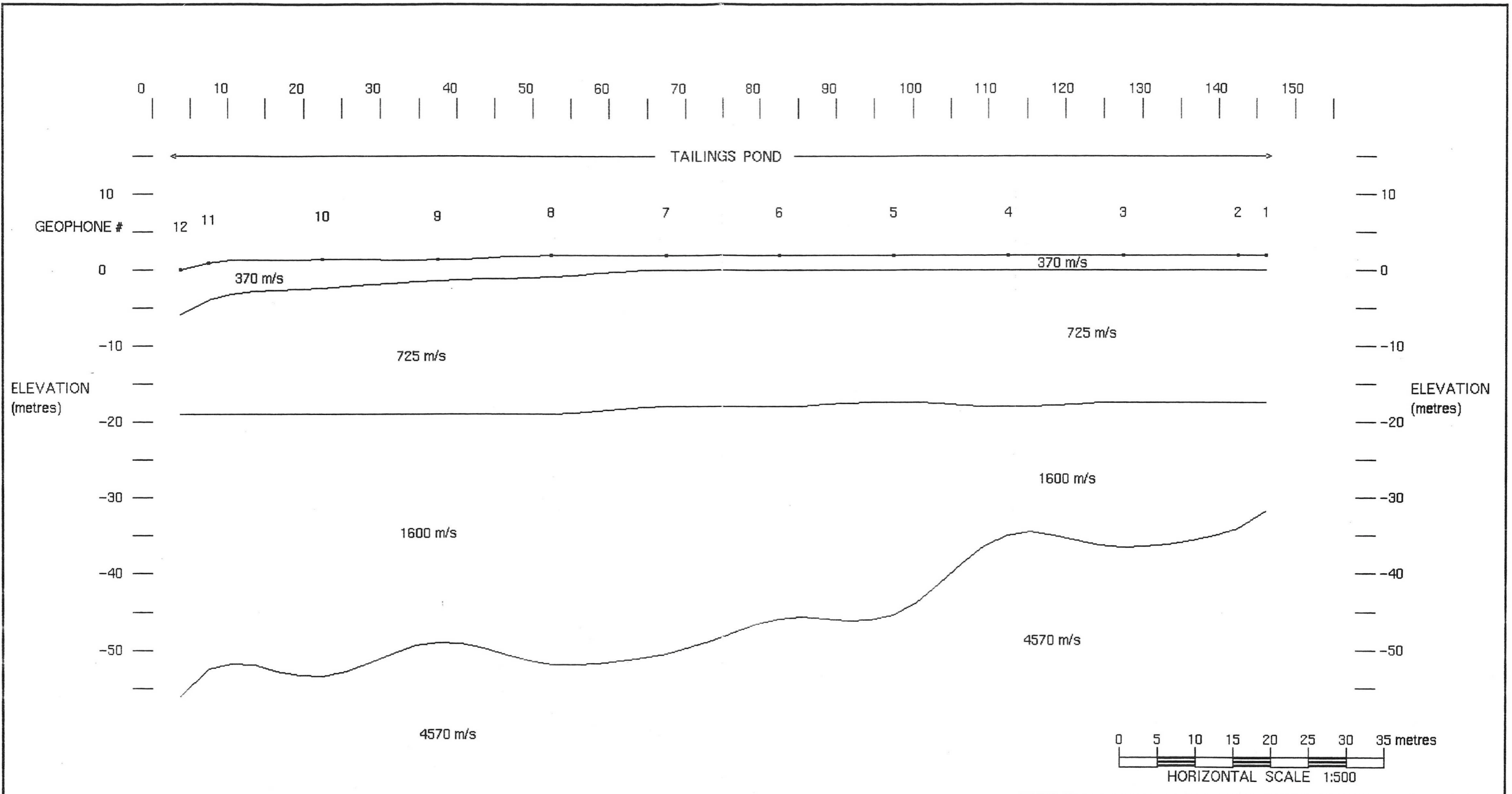
Yours sincerely,

FRONTIER GEOSCIENCES INC.

A handwritten signature in cursive script that reads "Russell A. Hillman".

Russell A. Hillman, P.Eng.

Copy: J. Roth, Strategex Ltd.



CURRAGH RESOURCES INC
 FARO, YUKON TERRITORIES
 FARO TAILINGS POND
 REFRACTION SEISMIC SURVEY
 INTERPRETED DEPTH SECTION
 LINE 1