

019186

CURRAGH RESOURCES INC.**INTER-OFFICE MEMORANDUM****FARO MINE**

DATE: Sept. 20, 1990

TO: Marvin H. Pelley
cc: Gregg Jilson

FROM: C.K. Benner

SUBJECT: DY DECLINE DRILLING

I would suggest the following approach:

- o As a minimum, you must drill 5 holes at the portal. I have walked the site and believe we would be making a grave error in short changing ourselves on information at the most critical point of the project - the entry. This is only 15 meters more than the 'reduced' proposal (total drilling 315 meters).
- o 6th hole as per Gregg's proposal at 965 m elevation (topo) 290 m depth.
- o 7th hole as per Gregg's proposal at intersection - 570 m depth.
- o Hole 81X02 should provide sufficient information for ground between 6th and 7th hole.
- o Total drilling required 1,175 meters. Based on your numbers (assuming \$150/m or \$147.42/m / 3.28 = \$44.95/ft) the cost would be \$173,222.
- o Don't understand why rate is so high - last drilling done at CRI - Faro was about \$28/foot including assays? Are we getting a quote on directional control holes?
- o I would suggest we:
 - drill intersection hole first under control conditions to ensure we are away from the 'possible' fault or major structure that exists to the immediate east (as indicated by topo);
 - drill portal entry holes (1, 2, 3, 4 and 5) second and in sequence.
- o Drill number 6 hole last.

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RE: Fax C. Benner - Dy Drilling
September 20, 1990

NOTE: It should be considered by Gregg to drill #6 or #5 with directional control and cased so that we can pump to the proposed settling basin via one of these holes.

I've walked the site (proposed portal and access road) and it is an excellent location; road will be no problem, excellent flat areas for laydown area; office; garage; etc.

Bill Dunn is arranging for your proposed portal location surveyed and road alignment. This is to be done ASAP.

For your information.

A handwritten signature in black ink, appearing to be 'C.K. Benner', written over a horizontal line.

C.K. Benner

CKB/rg