

019201

REPORT FOR DY DRILL PROGRAM

TO OCT 5, 1990

WITH AMENDMENTS TO OCTOBER 8, 1990

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INTRODUCTION

The second cut with the downhole motor to correct the trajectory of the Dy Pilot hole has begun. The depth at which this procedure began was 1903'. This cut was terminated early due to the intersection of a major fault zone at an estimated depth of 1960'. The exact location of the hangingwall to the fault has not been recovered, but estimated to be at 1960' by the erratic behaviour of down hole motor at that depth and continuing to 1963'. With minimal difficulty the down hole motor was retrieved at 1963' and an NQ coring procedure was implemented to drill through the fault. The fault has been found to be very strong through the interval 1963' to 2083'. A quick log version of the core representing this interval is located in Appendix A. Drilling past the fault has taken the hole to a depth of 2113'. The down hole motor will continue the corrective procedure from this depth.

This fault has potential to offer considerable difficulty in sinking the shaft. Should this fault have an orientation similar to other major structural breaks in the Dy area with a northwest dip direction, it will transect the ore body near the northern limits of the deposit. To determine the orientation of this structure it will be necessary to consider two or more wedges set above this fault and then coring procedures implemented to collect sufficient data to allow a three point problem solution. From this solution an estimate of structural trend can be made.

A total of 15 samples (#65101-65115) have been taken from the mineralized zone in 90DY-04-DS. These samples have been sent to Northern Analytical Labs of Whitehorse and will be analyzed for Zn, Pb, Au, Ag, Ba, Sg, and total Fe. Results are expected shortly. Initial logging of the mineralized zone suggested less than 7% combined Pb + Zn for the interval 556.8-559.8m. After splitting this interval is now expected to contain 10-12% Pb + Zn, based on visual estimates.

DECLINE DRILL PROGRAM

Detailed univariant statistical analysis has been completed on down hole survey data for holes drilled in the late 70's and early 80's of the Dy Property. The analysis involved both azimuth and inclination studied separately. The analysis was conducted on data filtered by elevation. The purpose of the study was to determine if a trend for deviation with depth could be established. This has not proven to exist for the azimuth portion of the study. The inclination portion has not been completed, and is no longer considered a priority. Initially the deeper holes to test the

trace of decline were to be drilled. This statistical analysis of the data would have proved of benefit if this were the case. This is no longer the case and the holes of shorter length will be drilled first. The shorter holes will allow a data base to be created on hole deviation using current bit types, and monitored torque and bit pressure.

Analysis of deviation trends of previous drill holes on the Dy Property has begun and is near completion. Dogleg calculations have been completed for three holes near the site where a drill hole will test the base of the ramp. The base of the ramp has been called Target B. The holes analyzed to test the deviation near Target B include 78X-04, 79X-02, and 79X-07. The deviation in terms of total northings, eastings, and doglegs/100' are located in Appendix B. The deviation in terms of total northings and eastings based on a 570 meter drill interval indicate inconsistent deviation for the area near the location of Target B. This deviation data is as follows:

	NORTHING	EASTING
78X-04	73.8m	-44.4m
79X-02	55.3m	-37.3m
79X-07	36.3m	-56.6m

This inconsistent deviation trend indicates controlled deviation in the 1990 Dy Decline Drill Program will prove to be a challenge. The data collected for deviation during the drilling of the shorter holes and monitoring of bit type, head pressures and torque should reduce the erratic nature of deviation data which will be used in selecting the collar locations for the deeper drilling for the decline drill program.

All but the deepest hole for the decline drill program at Dy have apparently been located by the Lamberton survey crew. They expect to have this hole spotted shortly after the long weekend in October.

AMENDMENT INCLUDE PROCEEDINGS TO OCTOBER 8, 1990

The interval from 1903' to 2113' represents an NQ hole consisting of both a motored interval and a cored interval. To avoid the potential of losing the down hole motor during the completion of the second cut below the fault, the hole must be reamed to HQ. This reaming HQ hole will then be "cased off" using the HWL drill rods. The HWL rods will be recovered after completion of the motoring and used in coring the hole to completion.

Reaming the hole size from NQ to HQ for the interval 1903' to 2113' has presented significant difficulties. The reaming procedure began at an estimated 1100'. The hole at that point is considered to be undergauge or the new reaming shells slightly overgauge. Reaming for this interval to date has been taken to a depth of 1926'. Reaming to this depth has caused the drill string to unscrew leaving the lowest portion of the drill rods unattached to the upper portion. This has occurred twice. Both situations have been recovered from by screwing the rods back together. The procedure is to then raise the drill string assembly to tighten the loose connection at surface. The recovery from the second episode of screwing the rods together downhole has been greatly complicated. The hoisting cable has broken sending the entire drill string assembly (estimated to be over 1800' of drill steel down the hole). Attached to the upper portion of the drill string are a hoisting plug, clamp, and an estimated 15-20' of hoisting cable. This assembly initially fell to the base of the HQ casing where it wedged into the hole. Luckily the cable was still visible from surface. This cable was then attached to a second cable and fed through the hoisting drum. Lifting the drill steel out of the hole proved unsuccessful with either the clamp or the hoisting plug snagging on the HQ casing. When this was noticed further pulling on the drill string ceased. Corrective procedures were implemented to increase the strength of connection between the two cables and to assemble a catching device which would allow the cable to be caught should the cable once again break. Unfortunately the corrective procedures were not implemented fast enough. The cable snapped, sending the drill sting back into the hole. This time the string has fallen a significantly longer distance and the cable is no longer visible from the surface. Fishing attempts are being implemented as of 3:00 pm October 8, 1990. Potential exists for the sting to have fallen up to 90' from surface.

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Project Geologist

JZ:cc

APPENDIX A

QUICK LOG OF FAULT ZONE
1963'-2083'

Quick Log For Fault IN 90 DY-04-DS

1960' - 1988' : 50-60% gouge, 10% crushed rock, balance is
strongly broken

1988' - 2001' : moderately to strongly broken, 5% gouge in 20cm bands

2001' - 2003.5' : gouge with strongly broken rock.

2003.5' - 2020' : strongly broken rock

2020' - 2033' : very strongly broken

2033' - 2050' : 99% gouge (582)

2050' - 2083' : 580 - strongly broken.

two zones will offer problems as far
as rock competency:

1960' - 1988'
'
'

2020' - 2055'

APPENDIX B
DEVIATION DATA
FOR DECLINE DRILL PROGRAM

***** TARGET B *****
 BOTTOM OF THE RAMP (CORNER)
 TARGET LOCATION: 6901150 N ESTIMATED HOLE LENGTH: 570m
 597770 E
 476.5 Elev.
 1023 TOPOGRAPHIC ELEVATION ABOVE TARGET

HOLE-ID	NORTHING	EASTING	ELEV.	INCL.	INCL.	AZIMUTH	HORIZONTAL DEVIATION			VERTICAL DEPTH	DRILLED LENGTH
							DOBLEG /100'	NORTHING	EASTING		
78X04	901123.0	597733.6	1039.1	-90	0	360	0	0.00	0.00	0.00	0.00
78X04	901123.3	597733.6	1008.6	-89	1	357.9	0.999	0.30	0.00	0.30	30.50
78X04	901124.1	597732.8	978.1	-86	4	304	3.502	1.10	-0.80	1.36	60.96
78X04				-86	4	282.9	1.467				91.40
78X04				-86.6	3.4	283.2	0.599				121.90
78X04				-85	5	298.3	1.930				152.40
78X04				-83.9	6.1	305.7	1.309				182.90
78X04				-83.8	6.2	304.5	0.162				213.40
78X04				-81.7	8.3	318.4	2.728				243.80
78X04				-82	8	319.5	0.337				274.30
78X04				-81.5	8.5	323.8	0.793				304.80
78X04				-80.9	9.1	337.4	2.158				335.30
78X04				-78.5	11.5	342.5	2.563				365.80
78X04				-79.2	10.8	340.3	0.821				396.20
78X04				-78.1	11.9	345.7	1.527				426.70
78X04				-76.4	13.6	343.5	1.766				457.20
78X04				-73	17	337.1	3.788				487.70
78X04	901181.0	597697.4	527.6	-72.3	17.7	335	0.938	58.00	-36.20	68.37	511.48
78X04	901189.4	597693.1	498.5	-74.1	15.9	326.3	3.095	66.40	-40.50	77.78	540.57
78X04	901196.8	597689.2	469.2	-74.1	15.9	337.6	3.089	73.80	-44.40	86.13	569.91
78X04	901204.3	597686.3	439.9	-73.3	16.7	342	1.469	81.80	-47.30	94.49	599.18
78X04	901213.0	597682.1	410.9	-71	19	324.9	5.694	90.00	-51.50	103.69	628.21
78X04	901220.2	597676.3	385.1	-69.7	20.3	317.3	3.186	97.20	-57.30	112.83	654.01

HOLE-ID	NORTHING	EASTING	ELEV.	INCL.	INCL.	AZIMUTH	HORIZONTAL DEVIATION			VERTICAL DEPTH	DRILLED LENGTH
							DOBLEG /100'	NORTHING	EASTING		
79X02	901048.0	597720.6	1036.4	-90	0	0	0	0.00	0.00	0.00	0.00
79X02	901048.0	597720.7	1005.4	-89.8	0.2	117.9	0.196	0.00	0.10	0.10	31.00
79X02	901048.3	597720.4	975.4	-88.5	1.5	314.1	1.720	0.30	-0.20	0.36	60.99
79X02	901048.9	597719.6	944.4	-87.2	2.8	305.8	1.311	0.90	-1.00	1.35	91.97
79X02	901049.9	597718.2	914.5	-86.3	3.7	306.4	0.915	1.90	-2.40	3.06	121.92
79X02	901051.1	597716.6	884.5	-86.2	3.8	301.6	0.334	3.10	-4.00	5.06	151.86
79X02				-84.6	5.4	300.7	1.574				183.00
79X02				-84.3	5.7	307.3	0.716				213.00
79X02				-84.5	5.5	314.3	0.699				244.00
79X02				-84.6	5.4	313.7	0.116				274.00
79X02				-84.6	5.4	312	0.157				305.00
79X02				-84.5	5.5	324.6	1.217				335.00
79X02				-83.1	6.9	328.7	1.442				366.00
79X02				-81.1	8.9	331.3	2.063				396.00
79X02				-79.3	10.7	332.9	1.789				427.00
79X02				-78.7	11.3	334.7	0.702				457.00

HOLE-ID	NORTHING	EASTING	ELEV.	INCL.	INCL.	AZIMUTH	HORIZONTAL DEVIATION			VERTICAL	DRILLED	
							DOUBLE	NORTHING	EASTING			DISPLACEMENT
79X07	901180.0	597665.0	1052.7	-90	0	0	0	0.00	0.00	0.00	0.00	0.00
79X07	901179.9	597663.8	1022.8	-85.5	4.5	265.9	4.572	-0.10	-1.20	1.20	29.95	30.00
79X07	901179.9	597661.3	992.9	-84.9	5.1	273.5	0.887	-0.10	-3.70	3.70	59.85	60.00
79X07	901180.1	597658.3	963.0	-83.5	6.5	273.5	1.422	0.10	-6.70	6.70	89.69	90.00
79X07	901180.3	597654.7	933.2	-82.7	7.3	273.9	0.814	0.30	-10.30	10.30	119.47	120.00
79X07				-83	7	272.7	0.340					150.00
79X07				-82.9	7.1	280.1	0.927					180.00
79X07				-82.5	7.5	282.3	0.495					210.00
79X07				-83	7	291.9	1.329					240.00
79X07				-82.5	7.5	297.4	0.868					270.00
79X07				-83.7	6.3	314	2.352					300.00
79X07				-83.9	6.1	312.1	0.291					330.00
79X07				-82.5	7.5	305.1	1.650					360.00
79X07				-82.7	7.3	308.5	0.489					390.00
79X07				-84.5	5.5	320.4	2.262					420.00
79X07				-83.7	6.3	325.4	0.965					450.00
79X07				-79.9	10.1	322.9	3.876					480.00
79X07	901205.9	597615.4	546.5	-79	11	327.1	1.202	25.90	-49.60	55.96	506.25	510.00
79X07	901210.9	597615.2	517.1	-77.9	12.1	326.7	1.120	30.90	-49.80	58.61	535.64	540.00
79X07	901216.3	597608.4	487.8	-76.9	13.1	324	1.178	36.30	-56.60	67.24	564.92	570.00
79X07	901221.8	597604.0	458.6	-75.9	14.1	318	1.755	41.80	-61.00	73.95	594.08	600.00
79X07	901227.5	597598.9	429.6	-74.3	15.7	318.4	1.628	47.50	-66.10	81.40	623.07	630.00
79X07	901233.4	597593.6	400.7	-75	15	318.7	0.715	53.40	-71.40	89.16	651.99	660.00
79X07	901239.1	597588.3	371.8	-74.7	15.3	314.6	1.130	59.10	-76.70	96.83	680.95	690.00