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UPDATE AND REQUIREMENTS FOR
1990-1991 DY DIAMOND DRILL PROGRAM

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PILOT HOLE UPDATE

- hole has been terminated at a depth of 2178', and the drill has been moved to Target C which will now be referred to as 90DY-07
- remaining to be completed in the pilot hole is cementing and water testing - packer tests (?) and piezometer testing in the fault at 525' to 550'

i) RESULTS:

- Two major zones of structural disruption have been encountered in the pilot hole; 525' to 550' and 1960' to 2088'. The lower zone is intensely broken, crushed and contains extensive gouge zones. It is strongly recommended to not attempt cementing the lower fault zone. The last attempt to ream through the collapsed portion of the this fault resulted in the fault closing in on the rods and rods breaking. Fishing this lost string proved to be difficult and the chance of a successful recovery was very slight. Qualified staff of E. Caron Drilling, did recover the drill string. Cementing this hole should begin at a hole depth of 1940', below this depth the hole has collapsed.
- Ore intersected in this hole occurs at 556.8m to 565.9m (1827' to 1857'). Two strongly mineralized intervals within this interval contain 3.0m of 13.18% Pb+Zn and 3.1m of 18.59% Pb+Zn. Combining the 3.0 meters of waste separating these zones the grade of the interval is 9.1m assaying over 11% Pb+Zn.

DECLINE DRILL PROGRAM

- To date one hole has been completed on the decline drill program. This hole (90DY-05) has tested the zone at the base of the ramp. No zones of intense structural disruption have been encountered in this hole. The hole did make significant water and was artesian with four zones significantly contributing to the artesian flow. One of these zones occurs within a mineralized interval. The mineralization occurs at 1691' to 1754'. Preliminary visual estimates of grade for this interval is 10% combined Pb+Zn. The base of this mineralization is located at an estimated 13 meters above the base of the ramp (476.5m elev.).

- Two additional holes to test the trace of the decline are expected to be completed by the end of the third week of November, 1990. These holes are Target E and Target C and are called 90DY-06 and 90DY-07 respectively.

- Once these two holes have been completed, only Target D and the five holes at the portal collar remain to be drilled. The portal location will have to be determined no later than the middle of next week to allow time for an access road to be built and drill pads to be levelled. Should the decision on the portal location be delayed beyond this date, potential for standby on one of the drills certainly exists.

DEPOSIT INFILL DRILL PROGRAM

- A total of eleven diamond drill holes are planned for the infill drill program for the 1990-1991 season into the Dy Deposit. B Zone drilling includes five holes with a minimum of 3311m of drilling (10,862') and the C-Phase drilling calls for six holes with minimum of 3740m (12,703'). Depending on concurrent drilling results C-Phase drilling may be increased to a total of 5319m (17,450') in the same six holes. The total footage required for the infill program is between 7051m to 8630m (23,133' to 28,314').

- Estimated time required to complete this drill program with two drills a is minimum of three months. This value is based on 80' of coring per

12 hr shift, with a single day allowed for drill moves. This length of time does not allow for the eminent down time for mechanical trouble, problems related to adverse weather conditions, cementing, and logistical problems coordinating the arrival specialized crews such as gyroscopic surveys. It is reasonable to assume a minimum of 15-20% down time for a program of this magnitude attempted during the winter season at this latitude and elevation. Including the down time the program will take over three and one half months. This amount of down time may even be optimistic. Increasing the number of drills to three would reduce the time required to complete the program (including down time) to a minimum of two and one half months. Although the time would be reduced, other logistical problems would develop.

- A three drill program would require logging facilities which exceed the current facilities at the Grum Camp. The core shack is best designed for two geologists working independently on separate holes. This would allow sufficient space to thaw the next core to be logged and have a small area assigned for photographing core. A third geologist would greatly reduce the efficiency of the process, based on space alone. Two geologists logging core from three drills cannot remain current. Core logging current with the drilling is essential to maintain control on further drilling. This considers more than ore intersections, but fault and lithologic interpretation concurrent with drilling.

- Core logging for the Dy Infill and Decline programs will require a geologist for each drill and a technician whose purpose will be to split core and maintain sperry sun single shot surveys concurrent with drilling. It is essential to maintain good data acquisition during drilling of the holes, to allow the possibility for manipulation of hardware down the hole to achieve the best potential for intersecting the ore at the point required for ore body evaluation. Data entry is also essential to be carried out concurrently with logging is essential. To date Lesley Stanton has spent two person days entering data from 90DY-04-DS and 90dy-05 into symphony files at no cost to Curragh Resources. I suspect this volunteer labour will end shortly. It may be in our best interest to acquire her data entry services on a temporary basis.

- Since I arrived at Faro in May 1990, I have

always had the belief that logistics required to maintain a drill program through the mine would eventually be less time consuming. This has proven to be grossly incorrect. 99% of my time over the last three weeks has been consumed in logistics. It would be incorrect to assume this should ever be reduced below 50% of my time. Beyond logistical duties, the time consumed in driving to and from the mine in the evenings to utilize the Pcxplor database has proven to be a problem. It is strongly recommended to either purchase or at the very least rent a computer for the duration of the drill program. This computer should be capable of running the Gemcom programs and be installed at 408 Cambell. This would considerably increase the efficiency of the program, and avoid the regular rebuilding of the data base I have encountered when using the mine computer.

- Logging facilities will require minimal upgrading. Power has proven to be essential to the logging process. This has proven to be difficult to install at the core shack. A fourth and final attempt to have power installed at the core shack has been implemented early this week. The estimated date for power installation from the main line should occur by the end of this weekend. Should this not occur you will undoubtedly hear screams from 408 Cambell by late next week. Once a permanent supply of power has been installed at the core shack, up grading of the heating source must be considered. Two portable 220 volt fan-bearing heaters would considerably increase the effectiveness of core thawing process. The current wood heat at the core shack is grossly ineffective for thawing core when the fire goes out during the late PM.

CONCLUSIONS AND RECOMMENDATIONS

- Final decision on the location for the collar location of the Dy portal will be required by the middle of the upcoming week. The current site has been dubbed poor without fully assessing the problem. I also support the concept that the site is heavily laden with overburden, but it may still be in our best interest to have a back hoe attempt to assess the overburden depth. Again, I suspect the depth to bedrock may be significant at this location. The D-7 has moved 25-30' of overburden from this location, no end of the till is noted at this depth.

- The drill program would best be completed by utilizing two drills, a third drill could be utilized to complete processes such as packer tests, and cementing. This program will take a minimum of three and one half months to complete. I suspect that time will require the two drill option will be foregone for a three drill program, with all three drills coring. Should three drills be utilized to core drill holes the program will take two and one half to three months.

- Staff required to effectively maintain current data will be one geologist per drill and a technician. The program can start by having each geologist maintaining core logging and also data entry into symphony files. Should this not prove effective, a person can be hired on a temporary basis for data entry. Should these geologists maintaining a drill each not include myself, considerable time for logistical coordination and interpretation can be made.

- A minimum of one more four wheel drive 3/4 ton truck will be required. This truck will be used for core collection and driving from drill to drill for taking the Sperry Sun single shot surveys. This truck should come equipped with good quality tire chains.

- A computer capable of running the Gemcom programs is essential. The unavailability of computer time during the day time hours at the mine will prove to be extremely ineffective. This computer can be rented for the three months of the drill program.

- The holes which will test the portal site for the decline will require the use of a water truck. The

only water source near the proposed collar location will be Blind Creek. I strongly feel it is in our best interest to keep well away from Blind Creek. The cost of a water truck will prove to be expensive. It should be expected that the cost of the truck could be as high as \$2000 to \$2500 per day. With this cost it is best to coordinate the use of the truck for more than one drill. Significant standby time will be encountered should this truck be used for only one drill. Supplying water to two drills will not increase the cost of the truck, but will reduce the cost of propane used to heat the water lines.