

## CURRAGH RESOURCES INC.

## Inter-Office Memorandum

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234

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The attached two pages summarize our recommended reserves for Faro, Grum, Vangorda, Dy, Swim and Cirque deposits. These calculations are the most current, and we feel the best, calculations available for each of the deposits. They are consistent with the reserves being used for current mine planning and financial planning in Toronto and Faro.

The attached report details the sources of all of these numbers, compares the opening and closing 1988 reserve figures for each deposit and provides an explanation of the relevant variances. In each case an excerpt from the original source document is provided in an appendix. For Faro, because of uncertainties about waste quantities, a set of contour maps of the surfaces used in the reserve calculations are provided to clarify the configuration of the pit used. Note that in the case of Dy and Swim, the status of the reserves has been upgraded from possible to probable in order to fit with the definitions used by the Ontario Professional Engineers.

I recommend these figures be reviewed to ensure agreement with the figures being used elsewhere in the Company and adopted as our official reserves for the start of 1989.



TABLE 1

## CURRAGH RESOURCES INC. - GEOLOGICAL RESERVES \* - JANUARY 1, 1989

DISTRICT/DEPOSIT CLASS	CUT-OFF %Pb+Zn	TONNES ORE	Pb+Zn %	Pb %	Zn %	Ag g/tn	Au g/tn	
<u>ANVIL DISTRICT:</u>								
FARO								
Zone 3 Only	Proven	4.0	16,339,000	8.26	3.08	5.18	35.2	0.13
SW Undergrd	Probable	9.0	2,610,000	12.80	5.04	7.76	67.9	NA
Total deposit		NA	18,949,000	8.88	3.35	5.53	39.7	NA
GRUM								
Main Zone (61W-87W)	Proven	4.0	32,181,000	9.01	3.41	5.60	57.3	0.95
Champ Zone (51W-61)	Probable	4.0	1,700,000	7.80	3.50	4.30	46.0	NA
NW Extension (87W-100W)	Possible	NA	8,000,000	10.00	NA	NA	NA	NA
Total Deposit (51W-100W)	NA	NA	41,881,000	9.15	NA	NA	NA	NA
VANGORDA								
Total Deposit	Proven	4.0	8,161,000	8.67	3.79	4.88	54.0	0.76
DY								
Total Deposit	Probable	9.0	21,060,000	12.20	5.54	6.74	83.8	0.95
SWIM								
Total Deposit	Probable	4.0	5,130,000	7.90	3.50	4.40	47.0	NA
TOTAL ANVIL DISTRICT:								
		NA	95,181,000	9.66	NA	NA	NA	NA
<u>AKIE DISTRICT</u>								
CIRQUE								
Main Cirque	Probable	0.0	34,549,000	9.97	2.15	7.82	47.0	NA
South Cirque	Possible	0.0	15,453,000	8.26	1.40	6.87	31.3	NA
TOTAL AKIE DISTRICT:								
		NA	50,002,000	9.44	1.92	7.53	42.1	NA
TOTAL COMPANY								
	NA	NA	145,183,000	9.59	NA	NA	NA	NA

\* Geological reserves are in-situ with no dilution

TABLE 2

CURRAGH RESOURCES INC. - MINING RESERVES - JANUARY 1, 1989

DISTRICT/DEPOSIT	CLASS	CUT-OFF %Pb+Zn	TONNES ORE	Pb+Zn %	Pb %	Zn %	Ag g/tn	Au g/tn	STRIP RATIO
<u>ANVIL DISTRICT</u>									
FARO									
Zone 3 Pit *	Proven	4.0	14,051,000	7.75	2.96	4.79	33.3	0.11	1.78
SW Underground	Prob.	9.0	2,014,000	11.59	4.59	7.00	61.3	NA	NA
Total deposit	NA	NA	16,065,000	8.23	3.16	5.07	36.8	NA	NA
GRUM PIT									
Main Zone Pit ** (61W-87W)	Proven	4.0	25,161,000	7.97	2.96	5.01	50.4	0.81	6.96
VANGORDA PIT									
Total Deposit **	Proven	4.0	6,935,000	8.00	3.49	4.51	49.7	0.65	2.23
DY UNDERGROUND									
Total Deposit	Prob.	9.0	11,404,000	13.94	6.47	7.47	95.1	1.02	NA
SWIM PIT									
Total Deposit **	Prob.	4.0	3,910,000	7.13	3.22	3.91	42.0	NA	6.21
TOTAL ANVIL DISTRICT:	NA	NA	63,475,000	9.06	3.72	5.34	54.4	NA	NA
<u>AKIE DISTRICT</u>									
CIRQUE									
Main Cirque	Prob.	8.0	18,925,000	11.99	2.74	9.25	57.0	NA	NA
TOTAL COMPANY:			82,400,000	9.73	3.49	6.24	55.0	NA	NA

\* Mining recovery 95%, Diluted 10% at 0% Pb+Zn

\*\* Mining recovery 95%, Diluted 15% at 0% Pb+Zn