

APPENDIX "A"

KILBORN LIMITED

**ESTIMATE OF GEOLOGICAL ORE RESERVES
FOR DY DEPOSIT OF
CURRAGH RESOURCES INC.
FARO, YUKON**

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SUMMARY

An ore reserve estimate was carried out on the Dy deposit of Curragh Resources Inc. (Curragh). This deposit is one of a series of strataform, stratabound lead, zinc deposits located in the Anvil District, Faro, Yukon.

Ore Reserves

Ore reserve estimates are as follows:

	<u>Tonnes</u>	<u>% Pb</u>	<u>% Zn</u>	<u>Ag g/t</u>	<u>Au g/t</u>
Probable Reserves	14,920,525	5.44	7.02	85.7	0.93
Possible Reserves	5,194,300	5.57	6.07	81.0	0.87

Premises and Methods

Ore reserves in the Dy deposit have been calculated using the following premises and methods:

1. A minimum 3.5 metre mining width has been used, all intersections less than 3.5 metres were rejected.
2. Qualifying intersections are identified with a 9 percent combined lead plus zinc cut-off grade.
3. No assays less than this cut-off are used in defining an ore section unless they are enclosed by assays greater than these cut-offs with the average of the entire section greater than the cut-off.
4. Anomalous silver values (high) are taken into account such that intersections with less than cut-off grades combined lead-zinc but greater than cut-off grades in silver (i.e., 9 gms/MT per one percent combined lead plus zinc) are included in an ore intersection (one case).
- *5. "Tonnes are calculated using a polygon 'area of influence' method wherein qualifying intersections are plotted in plan on all drill holes in a stratigraphic horizon. Straight lines are drawn through

adjacent intersections and perpendiculars drafted from each intersection to the bounding connecting lines. Intersections of these perpendiculars and connecting lines form unique polygons about each intersection"...The area of all polygons is measured by planimeter. Final tonnages are calculated by multiplying this area by the drilled, approximate true thickness by the measured, average specific gravity for the entire intersection."

6. New sections were drawn to show all ore intersections and also holes with interesting low grade material. These sections were used to classify ore intersections into probable or possible reserves:
 - (a) Probable Reserves: Where two or more holes on one section join two or more holes on an adjacent section or sections on the same stratigraphic horizon.
 - (b) Possible Reserves: Where two or more holes are in a stratigraphic horizon, however, do not join a similar horizon on adjacent section or sections.
 - (c) A number of ore grade intersections were rejected, because they were completely isolated from all other ore intersections. The holes in question are as follows: 77-1 (9+00 E), 77-5 (upper intersection) (12+00 E), 77-11 (18+00 E), 79-3 (13+50 E), and 80-5 (lower intersection) (15+00 E).
7. Calculation sheets accompany these reserves (in appendices). The grades-tonnes, etc., are all assigned to sections, ^{**}"A-2 Horizon and B-2 Horizon". Two plans accompany this report:
 - (a) Probable reserves;
 - (b) Possible reserves. All ore intersections (including low grade) are shown on these plans, and are coded for their classification.
8. The sections accompanying this report, and used as previously mentioned to classify ore intersections, show the location of all ore

intersections including low grade, and are coded to indicate their classification.

9. All available information, cross and long sections and assay logs for all holes were critically reviewed, including checking the sections for the exact location of the ore intersection (longitude, latitude and elevation). All assay logs were reviewed, and all ore intersections recalculated. Some previously included ore intersections were rejected (below cut-off grade), a number of other previously used intersections were shortened (material on fringe area below cut-off grade), and a number of previously used ore intersections were combined, still meeting the cut-off grade.

* Direct quote from B. V. Hall's (1981) ore reserve report.

** Taken from B. V. Hall's (1981) ore reserve report.

DY DEPOSIT RESERVE SUMMARY - 1989
 (3.5 m Minimum Mining Width - 9% Pb+Zn Cut-off)

A-2 HORIZON

<u>Section</u>	<u>Probable Tonnes</u>	<u>% Pb</u>	<u>% Zn</u>	<u>Ag g/T</u>	<u>Au g/T</u>	<u>Possible Tonnes</u>	<u>% Pb</u>	<u>% Zn</u>	<u>Ag g/T</u>	<u>Au g/T</u>
10 + 50	603,275	5.02	5.33	71.6	0.67	-	-	-	-	-
12 + 00	2,676,425	6.54	5.04	87.8	1.04	919,300	5.88	6.08	94.9	1.11
13 + 50	954,650	3.82	6.63	68.3	1.03	-	-	-	-	-
15 + 00	3,898,100	5.80	6.71	92.4	1.09	1,564,500	7.87	5.61	101.6	0.89
16 + 50	1,226,525	5.38	7.16	81.2	0.96	1,084,900	4.14	5.32	59.0	0.94
TOTAL	9,358,975	5.70	6.19	85.8	1.03	3,568,700	6.23	5.64	86.9	0.96

B-2 HORIZON

<u>Section</u>	<u>Probable Tonnes</u>	<u>% Pb</u>	<u>% Zn</u>	<u>Ag g/T</u>	<u>Au g/T</u>	<u>Possible Tonnes</u>	<u>% Pb</u>	<u>% Zn</u>	<u>Ag g/T</u>	<u>Au g/T</u>
9 + 00	-	-	-	-	-	386,500	4.41	9.57	81.5	0.90
10 + 50	-	-	-	-	-	368,375	6.07	4.99	81.0	0.62
12 + 00	-	-	-	-	-	168,625	4.35	5.64	92.6	1.09
13 + 50	607,000	4.32	8.16	68.6	0.93	-	-	-	-	-
15 + 00	511,200	4.07	6.02	63.0	1.05	-	-	-	-	-
16 + 50	2,249,650	5.40	9.01	92.6	.71	512,750	2.75	6.70	44.6	0.47
18 + 00	1,539,925	4.54	7.84	82.7	0.74	-	-	-	-	-
19 + 50	653,775	6.30	9.66	100.5	0.70	189,350	3.38	7.66	57.8	0.39
TOTAL	5,561,550	5.03	8.40	85.5	0.77	1,625,600	4.14	7.00	68.1	0.66
GRAND TOTAL	14,920,525	5.45	7.02	85.7	0.93	5,194,300	5.57	6.07	81.0	0.87

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I. P. C. Coltas, have critically reviewed all available information on the Dy Deposit of Curragh Resources Inc., Faro, Yukon. This information included the following:

- (a) Ore Reserves, B. V. Hall, 1981;
- (b) Ore Reserves, Rolling, 1982;
- (c) Cross and long sections;
- (d) Plans - ore reserve, diamond drill hole locations and topographic;
- (e) All diamond drill assay logs.

The ore reserves reported are an accurate estimate of the mineral inventory of the Dy deposit.

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