

GEOLOGY AND ORE RESERVES  
FARO AREA  
ROSE CREEK, YUKON TERRITORY  
CANADA

In the Faro Area we have now found three ore bodies containing zinc, lead, silver and a little copper. This zone is found on the southwest flank, and just outside of a large body of granite.

The ore occurs within a group of metamorphic rocks made up of schist, phyllite, argillite and quartzite that borders the granitic body on its southwest side. These rocks, of sedimentary origin, strike NW-SE and dip to the southwest at moderate inclinations, away from the granitic core.

The host of the Faro No. 1 deposit is a quartzite, or a variety of metamorphic rock related to quartzite.

The principal metallic minerals in the ore are sphalerite, galena, chalcopyrite, pyrite and pyrrhotite. These appear as fine-textured aggregates to form a massive ore, as elongated streaks to make a banded ore, and as disseminations dispersed in the host rock. The massive sulfide is the predominant variety.

The ore zone is covered and masked by glacial sands and gravels with an average thickness of about 55 feet, under which the

ore body crops out on the buried bedrock surface. From this so-called sub-outcrop the Faro No. 1 deposit plunges down to the southeast under bedrock and attains a rock cover of some 500 feet depth on the far southeast.

The average dip of the Faro No. 1 is about 10 to 15 degrees to the southwest; however, on its northeast margin, toward the east, it locally steepens to 35 degrees as it approaches the surface. The deposit is broken on the southeast by a strong cross-fault that drops the ore down on the southeast for a distance of 100 feet or more.

Whether the three Faro ore bodies (Nos. 1, 2 and 3) occur in the same quartzite layer that has been faulted to different elevations, or whether there are several overlapping favorable horizons, has not yet been determined. Future drilling will eventually give the answer to this important question.

The Faro No. 1 deposit has been explored by some 72 vertical diamond drill holes, most of which range in depth from 300 to 800 feet. Most of these are located at the corners of grids that are 283 feet square, although a few are located at half-intervals.

Diamond drill core recovery in the ore zone was generally satisfactory.

On the basis of information supplied by the drill holes, ore reserves were estimated by standard procedures.

Ore Reserve Summary

	<u>Tons</u> <u>(million)</u>	<u>% Pb</u>	<u>% ZN</u>	<u>Oz/Ton</u> <u>Ag</u>
No. 1 Pit Ore Body (diluted)	38.87	3.71	6.08	1.19
No. 1 Ore Below Pit	4.51	3.37	5.67	1.24
No. 2 Ore Body	3.10	3.06	5.36	1.38
No. 3 Ore Body	<u>4.30</u>	<u>2.23</u>	<u>4.29</u>	<u>1.35</u>
Total	<u>50.78</u>			

Combined Stripping Ratio

Faro No. 1 Ore Body

1.67 Cubic yards/Ton