APPENDIX I

FARO DEPOSIT

The Faro Deposit is a strataform, stratabound massive sulphide ore body approximately 1,350 metres by 700 metres with a gentle dip to the southeast. The reserves of 35,000,000 tonnes are estimated using a cut-off grade of approximately 4% combined lead and zinc or higher. The geologic sections are being revised. It is expected that better reserve definition will enable batching of ore types through the mill. This will result in better recoveries and reduced milling costs.

The mineable reserves are calculated using the Mintec computer program and the calculated grade is reduced 5% as an allowance for dilution. The probable and possible reserves in the southwest and northwest of the pit are not included in the mineable reserves. Drilling is required to prove up these reserves and add a further 5,900,000 tonnes of open pit and/or underground material to the Faro mineable reserve. Drilling to prove up this additional mineralization is planned for March 1984.

ORE RESERVES

(83/01/01)

Nature of Reserves	Cut off %	Tonnes (Million)	Lead %	Zinc %	Silver (gms/DMT)	Copper %	Gold (gms/DMT)
Mintec Model	4.0	26.4	3.05	4.56	41.8	.15	.18
	2.5	29.7	2.85	4.28	39.7	.15	.18
Mill Feed							
o Mineable reserves							
- Main Pit	4.0	26.4	2.90	4.33	39.7	.15	.18
- Ramp Zone	4.0	.2	3.50	4.30	57.0	.15	.18
o Oxide Stockpile	-	1.3	2.90	4.70	37.6	-	-
o Low Grade Stockpile	3.0	1.2	1.40	2.30	28.5	-	-
TOTAL		29.1	2.84	4.26	39.3	.15	.18

Note:
o Low grade stockpile results from segregating material grading above 3% combined lead/zinc but below the 4% cut off.