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file 019982

Fao Mine
Reserves
F8910 model

Inter-office
Memorandum

TO: Gregg A. Jilson
Vice-President, Exploration
Whitehorse Office

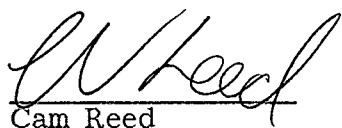
FROM: Cam Reed
Geologist
Whitehorse Office

DATE: 13 October 1989

SUBJECT: CUT-OFF VALUES FOR F8910 MODEL

Here is a table of the clipping values used in the F8910 model. They are the 95th percentile values for all samples over 3% Pb + Zn.

| | <u>% Pb</u> | <u>% Zn</u> | <u>Ag</u> | <u>Au</u> | <u>S.G.</u> |
|------------------------|-------------|-------------|-----------|-----------|-------------|
| Massive Sulphide | 7.94 | 12.05 | 108.0 | 0.590 | 5.22 |
| Quartzite Disseminated | 5.87 | 10.27 | 84.9 | 0.832 | 4.17 |



Cam Reed

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2) Faro³ Reserves
4) F8910 model

27 September 1989 remaining reserves in Faro Pit, F8910 model, 5% mining loss.

| | 3% Pb+Zn Cutoff Grade | 4% Pb+Zn Cutoff Grade | 5% Pb+Zn Cutoff Grade | 6% Pb+Zn Cutoff Grade |
|--------------|--------------------------|--------------------------|--------------------------|--------------------------|
| F8910 | | | | |
| tonnes | 13,213,075 | 11,491,380 | 9,495,269 | 7,528,835 |
| Pb+Zn | 6.729 | 7.205 | 7.775 | 8.368 |
| Pb | 2.506 | 2.688 | 2.901 | 3.122 |
| Zn | 4.223 | 4.517 | 4.874 | 5.246 |
| Ag | 27.845 | 29.442 | 31.194 | 32.782 |