

CURRAGH RESOURCES INC.

020030

GEOLOGY DEPARTMENT

MONTH END
AUGUST 1989

High grade ore for the month of August came from the S Phase from five benches- 83490(1.1%), 83470(0.7%), 83450(9.6%), 83470(84.3%) and 83610(4.2%).

During August, problems were encountered not only in ore release but also in predicting the grade of the ore. Considerable effort was devoted to correcting these problems, especially by the Whitehorse staff. The final decision reached was to create an entirely new geologic model based on bench height composites of the assay data and with no strict matching of rock types. This model called the F8908 Model is now in operation at the Faro mine site and will be used as the primary long-range forecasting tool by both the Geology Department and Mine Engineering.

In addition to revising the model, stricter enforcement of grade control has been established. Geological Technicians have been placed on a 12 hour shift until such time as additional staff can be hired to provide 24 hour coverage. Much more attention is being placed on the supervision of in-pit equipment to remove waste from ore and to recover any ore tied up in waste. A more vigorous approach to pit mapping has also been instituted.

The new F8908 Model has been used in the reconciliation of August production. Blast holes for the month show 151,521 tonnes of +8% material was removed from the pit as compared to 184,940 tonnes from the model- a variance of -19%. Grades of blast holes averaged 3.28% Pb. and 8.28% Zn. whereas the model shows 3.03% Pb. and 4.42% Zn. or a variance of 8.1% for Pb. and 19.4% for Zn. Truck count tonnes for the month were 5.2% higher than blast hole tonnes.

The comparison of the new F8908 model and August production by blast holes is felt to be too premature to form any conclusions as to the robustness of the model for accurate forecasting. The model is felt to more accurately reflect the distribution of the grade categories as they have been assigned in the past.

Mill feed for August came from the Crusher, "B", and "M" stockpiles as well as the Coarse Ore stockpile. Due to low availability of high grade suitable for blending there were several days when mill feed consisted entirely of "M" stockpile ore. The calculated mill feed grade from blast holes was 7.16% combined Pb. and Zn. This was 2.84% higher than the metallurgical balance of 6.96% combined Pb. and Zn. A total of 382,583 tonnes were reportedly fed from the stockpiles as compared to the 390,023 tonnes milled, a difference of -1.91%.

**CURRAGH RESOURCES INC.
GEOLOGY DEPARTMENT MINED RESERVES COMPARISON
AUGUST 1989 MONTH END**

H I G H B R A D E (+5%)

	Blast Holes	Computer Model FB90B
Bench: S 3690		
%Pb	2.23	2.29
%Zn	4.26	3.03
%Comb	6.49	5.31
Ag (g/t)	32	30
Au (g/t)	n/a	N/A
Tonnes	1,750	570
Bench: S 3670		
%Pb	3.20	2.10
%Zn	4.44	3.69
%Comb	7.64	5.79
Ag (g/t)	35	28
Au (g/t)	n/a	N/A
Tonnes	1,167	9,490
Bench: S 3650		
%Pb	2.00	3.13
%Zn	3.79	4.45
%Comb	5.79	7.59
Ag (g/t)	22	34
Au (g/t)	n/a	N/A
Tonnes	14,517	26,610
Bench: S 3630		
%Pb	3.47	3.08
%Zn	5.50	4.46
%Comb	8.97	7.54
Ag (g/t)	44	40
Au (g/t)	n/a	N/A
Tonnes	127,698	148,360
Bench: S 3610		
%Pb	2.69	3.18
%Zn	4.60	4.09
%Comb	7.29	7.27
Ag (g/t)	23	44
Au (g/t)	n/a	N/A
Tonnes	6,389	820

Bench: S 3590t	N/A	
%Pb	0.00	3.16
%Zn	0.00	5.37
%Comb	0.00	8.53
Ag (g/t)	0	37
Au (g/t)	n/a	N/A
Tonnes	0	1,110
	N/A	
%Pb	0.00	0.00
%Zn	0.00	0.00
%Comb	0.00	0.00
Ag (g/t)	0	0
Au (g/t)	n/a	0.000
Tonnes	0	0
	N/A	
%Pb	0.00	0.00
%Zn	0.00	0.00
%Comb	0.00	0.00
Ag (g/t)	0	0
Au (g/t)	n/a	0.000
Tonnes	0	0
Month Total		
%Pb	3.28	3.03
%Zn	5.28	4.42
%Comb	8.56	7.45
Ag (g/t)	41	39
Total Tonnes	151,521	186,960

* Mined reserves calculated via PCSURVEY from benches being mined either too high (ie. Ore left on the 3630 mined on the 3610), or benches being mined too low (ie. Mining the 3690 bench too low).

**CURRAGH RESOURCES INC.
GEOLOGY DEPARTMENT MINED RESERVES COMPARISON
AUGUST 1989 MONTH END**

L O W G R A D E (4-8%)

	Blast Holes	Computer Model FB805

Bench: S 3670		
%Pb	1.87	1.75
%Zn	3.08	2.88
%Comb	4.95	4.62
Ag (g/t)	45	25
Au (g/t)	n/a	N/A
Tonnes	1,167	4,790

Bench: S 3630		
%Pb	1.80	1.82
%Zn	2.58	2.60
%Comb	4.39	4.42
Ag (g/t)	27	25
Au (g/t)	n/a	N/A
Tonnes	7,634	25,890

Bench: S 3690*		
%Pb	0.00	1.68
%Zn	0.00	3.03
%Comb	0.00	4.71
Ag (g/t)	0	30
Au (g/t)	n/a	N/A
Tonnes	0	230

Bench: S 3650*		
%Pb	0.00	2.06
%Zn	0.00	2.69
%Comb	0.00	4.74
Ag (g/t)	0	29
Au (g/t)	n/a	N/A
Tonnes	0	14,860

Bench: S 3610*	N/A	
%Pb	0.00	2.00
%Zn	0.00	2.21
%Comb	0.00	4.21
Ag (g/t)	0	27
Au (g/t)	n/a	N/A
Tonnes	0	330

**CURRAGH RESOURCES INC.
GEOLOGY DEPARTMENT SUMMARY REPORT
AUGUST 1989 MONTH END
(HIGH GRADE)**

<u>AY/8Z Phase</u>	<u>OreTns</u>	<u>%Pb</u>	<u>%Zn</u>	<u>Ag g/t</u>	<u>PbTns</u>	<u>ZnTns</u>	<u>Ag kg</u>
F8908 Model	186,960	3.03	4.42	39	5,673	8,264	7,245
Blast Holes	151,521	3.28	5.28	41	4,970	7,994	6,182
Truck Count	157,463						

<u>Blast Hole</u> <u>vs:</u>	<u>OreTns</u>	<u>%Pb</u>	<u>%Zn</u>	<u>Ag g/t</u>	<u>PbTns</u>	<u>ZnTns</u>	<u>Ag kg</u>
F8908 Model	-19.0%	8.1%	19.4%	5.3%	-12.4%	-3.3%	-14.7%

<u>Truck Count</u> <u>vs:</u>	
F8908	-14.7%
Blast Holes	5.2%

INVENTORY

<u>BROKEN IN PIT:</u>	<u>TONNES</u>	<u>%Pb</u>	<u>%Zn</u>	<u>Ag g/t</u>
S 3610 CC	50,000	4.34	6.00	56

Change

HIGH GRADE STOCKPILES:

Coarse Ore	2,950	3.16	4.71	35	(34,388)
Crusher	4,507	3.11	5.25	30	80,097
B	4,695	3.50	4.50	30	
M	160,088	2.29	3.80	31	208,700
	=====	====	====	====	
Total Inventory:					
Broken	50,000	4.34	6.00	56	
Stockpile	172,240	2.36	3.87	31	
	=====	====	====	====	
TOTAL	222,240	2.80	4.35	37	

CURRAGH RESOURCES INC.
GEOLOGY DEPARTMENT SUMMARY REPORT
AUGUST 1989 MONTH END
(LOW GRADE)

AV/BZ Phase	OreIns	%Pb	%Zn	Ag g/t	PbIns	ZnIns	Ag kg
FB908 Model	46,420	1.89	2.66	26	876	1,233	1,214
Blast Holes	8,821	1.81	2.65	29	160	233	257
Truck Count	11,471						

<u>Blast Hole</u> vs:	<u>OreIns</u>	<u>%Pb</u>	<u>%Zn</u>	<u>Ag g/t</u>	<u>PbIns</u>	<u>ZnIns</u>	<u>Ag kg</u>
FB908 Model	-81.0%	-3.9%	-0.4%	11.3%	-81.7%	-81.1%	-78.8%

Truck Count
vs:

Blast Holes 30.0%

INVENTORY

	<u>TONNES</u>	<u>%Pb</u>	<u>%Zn</u>	<u>Ag g/t</u>
BROKEN IN PIT:	1,166	1.90	2.50	15

Change

LOW GRADE STOCKPILES:							
Lg "A" Stockpile	815,530	1.97	2.72	29			430
Lg "C" Stockpile	380,292	1.86	3.04	24			74,185

Total Inventory:							
Broken	0	0.00	0.00	0			
Stockpile	1,195,822	1.86	2.82	27			
TOTAL	1,195,822	1.86	2.82	27			

Curragh Resources Inc. Geology Department
Mill Feed By Blast Hole Assay
AUGUST 1989

	<u>Phase/S.P.</u>	<u>Tonnes</u>	<u>%Pb</u>	<u>%Zn</u>	<u>%Comb</u>	<u>Ag g/t</u>
>5%	B 3690/3670/50 B 3630/3610	151,520	3.28	5.28	8.56	41
4-5%	A 3670/3630	8,821	1.81	2.65	4.46	30
	Pit Total	160,341	3.20	5.14	8.33	40
	To Lg Stpl	8,821	1.81	2.65	4.46	30
	To Cr&B Stpl	96,665	3.72	6.04	9.76	46
	To M Stpl	54,855	2.51	3.93	6.44	31
<hr/>						
TOTAL: To Stockpiles		160,341	3.20	5.13	8.33	40
Pit To Mill		0	0.00	0.00	0.00	0
From Cr Sp		59,424	3.84	6.19	10.03	47
FROM B Sp		46,801	3.69	5.74	9.43	45
From M Sp		274,040	2.33	3.82	6.15	31
From Lg "A"		0	0.00	0.00	0.00	0
<hr/>						
TOTAL PRIMARY FEED		380,265	2.73	4.43	7.16	35
To Coarse Ore S.P.	(5,806)		2.63	4.19	6.81	32
From Coarse Ore S.P.	8,124		2.61	4.23	6.85	31
<hr/>						
SUB-TOTAL MILL FEED		382,583	2.73	4.43	7.16	35
ADJUSTMENT		7,440	-2.51	-0.81	-3.33	-32.10
<hr/>						
MET. BAL. MTD.		390,023	2.63	4.33	6.96	34
<hr/>						
Reconciliation						
PIT & Stpl		382,583	2.73	4.43	7.16	35
Met. Bal.		390,023	2.63	4.33	6.96	34
Forecast		403,000	3.19	4.92	8.11	43
<hr/>						
% Variance						
Blast Hole Calc. vs.						
Met. Bal.		-1.91%	3.87%	2.21%	2.84%	4.04%
Forecast		-5.07%	-14.36%	-10.05%	-11.75%	-17.74%