

WESFROB MINES LIMITED2 ZONE OPEN PIT RESERVES

BENCH	JANUARY 1, 1975			JANUARY 1, 1976		
	Metric tons	% Soluble Iron	% Copper	Metric tons	% Soluble Iron	% Copper
990	0					
955						
920	0					
885	0					
850	0					
815	-					
780	163,948	50.7	0.29	-	-	-
745	459,765	49.8	0.43	-	-	-
710	544,549	48.1	0.15	21,354	53.6	0.16
675	527,542	42.0	0.05	255,852	40.6	0.06
640	239,979	43.6	0.05	230,224	43.2	0.03
605	250,166	41.6	0.04	255,706	40.9	0.03
570	160,707	41.9	0.07	128,277	43.1	0.05
535	170,003	43.4	0.11	107,723	40.3	0.03
500	210,717	38.4	0.09	120,165	40.0	0.03
465	90,702	41.7	0.12	18,463	48.3	0.02
TOTAL	2,838,075	44.9	0.15	1,137,764	41.7	0.04

Change in 2 Zone Pit Design

3 ZONE OPEN PIT RESERVES

BENCH	JANUARY 1, 1975			Bench	JANUARY 1, 1976		
	Metric tons	% Soluble Iron	% Copper		Metric tons	% Soluble Iron	% Copper
1230	0	-	-		0	-	-
1195	0	-	-		0	-	-
1160	0	-	-		0	-	-
1125	0	-	-		0	-	-
1090	0	-	-		0	-	-
1055	0	-	-		0	-	-
020 1020	0	-	-		0	-	-
985	0	-	-		0	-	-
950	0	-	-		0	-	-
915	0	-	-		0	-	-
880	156,276	50.3	0.45	880	70,000	43.98	0.48
845	308,140	47.7	0.52	854*	237,852	55.61	0.634
810	150,294	55.0	0.20	820*	181,134	58.86	0.25
TOTAL	614,710	50.2	0.42		488,986	55.15	0.47

* Change in Pit Design

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WESFROB MINES LIMITED

1 ZONE

OPEN PIT RESERVES

BENCH	JANUARY 1, 1975			JANUARY 1, 1976		
	M.T.	% Soluble Iron	% Cu	Metric Iron	% Soluble Iron	% Cu
780	0	-	-	0	-	-
745	0	-	-	0	-	-
710	0	-	-	0	-	-
675	0	-	-	0	-	-
640	0	-	-	0	-	-
605	0	-	-	0	-	-
570	0	-	-	0	-	-
535	0	-	-	0	-	-
500	0	-	-	0	-	-
465	0	-	-	0	-	-
430	0	-	-	0	-	-
395	0	-	-	0	-	-
360	0	-	-	0	-	-
325	0	-	-	0	-	-
290	0	-	-	0	-	-
255	0	-	-	0	-	-
220	0	-	-	0	-	-
185	6,868	22.3	-	0	-	-
150	66,330	49.1	-	0	-	-
115	103,539	39.2	-	0	-	-
	176,737	42.3				

1 Zone Reserves Exhausted

W E S F R O B M I N E S L I M I T E D

ORE RESERVES VS. PRODUCTION

3 Zone

YEAR	PRODUCTION			ORE RESERVES DEPLETION		
	<u>D.M.T. Ore</u>	<u>% Fe</u>	<u>D.M.T. Iron</u>	<u>D.M.T. Ore</u>	<u>% Fe</u>	<u>D.M.T. Iron</u>
1967	326,683	39.70	129,693	119,000	32.60	38,794
1968	757,714	40.50	306,874	526,000	35.90	188,834
1969	937,378	42.80	401,198	768,000	46.10	354,048
1970	1,092,259	44.30	483,871	1,294,000	45.80	592,652
1971	805,568	44.80	360,894	890,400	47.40	422,050
1972	332,653	43.70	145,369	346,908	52.20	181,086
1973	256,067	43.10	110,365	256,337	44.90	115,095
1974	12,331	59.99	7,397	16,483	55.94	9,221
1975	119,409	49.32	58,895	125,724	30.95	38,912
TOTAL	<u>4,640,063</u>	<u>43.20</u>	<u>2,004,557</u>	<u>4,342,942</u>	<u>44.69</u>	<u>1,940,692</u>

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W E S F R O B M I N E S L I M I T E D

ORE RESERVES VS. PRODUCTION

2 ZONE TOTAL

YEAR	PRODUCTION			ORE RESERVES DEPLETION		
	<u>D.M.T. Ore</u>	<u>% Fe</u>	<u>D.M.T. Iron</u>	<u>D.M.T. Ore</u>	<u>% Fe</u>	<u>D.M.T. Iron</u>
1971	257,457	44.40	114,311	313,000	36.20	113,306
1972	208,290	41.40	119,352	245,055	42.40	103,903
1973	729,095	50.30	366,735	711,094	44.30	315,369
1974	1,326,018	41.10	544,993	899,370	50.72	456,160
1975	1,649,142	39.412	649,968	1,700,314	47.04	799,788
TOTAL	4,250,002	42.24	1,795,351	3,869,633	46.22	1,788,566

2 ZONE PELLET

1971	251,215	44.21	111,062	285,900	36.74	105,040
1972	262,752	41.83	109,909	161,630	43.97	71,069
1973	584,049	53.00	309,546	539,687	44.70	241,240
1974	1,009,272	41.97	423,591	625,235	54.37	339,940
1975	1,007,741	39.654	399,609	1,036,311	50.34	521,678
TOTAL	3,115,029	43.46	1,353,678	2,648,766	48.29	1,278,967

2 ZONE SINTER

1971	6,242	48.54	3,030	27,100	30.50	8,266
1972	25,538	39.79	10,162	83,425	39.36	32,836
1973	145,046	39.40	57,148	172,210	42.70	73,534
1974	316,746	38.30	121,314	274,135	42.66	116,946
1975	641,401	39.03	250,339	664,003	41.88	278,084
TOTAL	1,134,973	38.94	441,992	1,220,873	41.75	509,666

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W E S F R O B M I N E S L I M I T E D

ORE RESERVES VS. PRODUCTION

1 Zone

Year	PRODUCTION			ORE RESERVES DEPLETION		
	<u>D.M.T. Ore</u>	<u>% Fe</u>	<u>D.M.T. Iron</u>	<u>D.M.T. Ore</u>	<u>% Fe</u>	<u>D.M.T. Iron</u>
1967	626,233	29.10	182,234	467,000	27.30	127,491
1968	812,912	32.90	267,448	775,000	32.30	250,325
1969	986,459	32.30	318,626	1,113,000	30.70	341,691
1970	971,276	33.40	324,406	1,126,000	32.40	364,824
1971	755,667	40.00	302,267	860,400	36.40	313,186
1972	497,052	40.20	199,815	345,478	48.50	167,557
1973	630,864	41.80	263,701	643,020	42.80	275,213
1974	463,853	36.98	171,115	283,866	42.30	120,075
1975	78,255	35.832	28,040	176,737	42.30	74,760
TOTAL	<u>5,822,571</u>	<u>35.337</u>	<u>2,057,653</u>	<u>5,790,501</u>	<u>35.145</u>	<u>2,036,121</u>

1 Zone Ore Reserves Exhausted

W E S F R O B M I N E S L I M I T E D

CHANGES IN ORE RESERVES 1975 - 1976

		Dry Metric Tons	% Fe	% Cu	TOTAL	UNITS
					Fe Units	Cu Units
# 1 Zone	1975***	176,737	42.30	-	7,475,975	-
	1976	0	--	-	0	-
	Reserve Depletion	176,737	42.30	-	7,475,975	-
Actual Production		78,255	35.832	-	2,804,033	-
# 2 Zone	1975**	2,838,078	44.90	-	127,423,433	* -
	Total 1976	1,137,764	41.7	-	47,444,759	* -
	Reserve Depletion	1,700,314	47.04	-	79,978,674	* -
Actual Production		1,649,142	39.412	-	64,995,985	* -
# 2 Zone	1976**	1,459,030	41.40	-	60,403,842	-
	Sinter 1976	795,027	41.00	-	32,596,107	-
	Reserve Depletion	664,003	41.88	-	27,807,735	-
Actual Production		641,401	39.03	-	25,033,881	-
# 2 Zone	1975**	1,379,048	48.60	0.29	67,021,733	399,924
	Pellet 1976	342,737	43.33	0.18	14,850,794	61,693
	Reserve Depletion	1,036,311	50.34	0.326	52,170,939	388,231
Actual Production		1,007,741	39.654	0.154	39,960,962	155,192
# 3 Zone	1976**	614,710	50.20	0.42	30,858,442	258,178
	1976	488,986	55.15	0.47	26,967,578	229,823
	Reserve Depletion	125,724	30.95	0.23	3,890,864	28,355
Actual Production		119,409	49.322	0.605	5,889,491	72,242

1. For 2 Zone Copper totals see 2 Zone Pellet.

** Change in Pit ultimate design

*** # 1 Zone Mining completed

W E S F R O B M I N E S L I M I T E D

UNDERGROUND ORE RESERVES 1st JANUARY, 1976

	Ore DMT	% Fe	% Cu	TOTAL UNITS		% RECOVERY		RECOVERABLE UNITS		DMT CONCENTRATE		REMARKS
				Fe	Cu	Fe	Cu	Fe	Cu	Fe	Cu	
3 ZONE STOPE *	497,267	46.51	.32	23,127,888	159,125	88.0	90.0	20,352,541	143,213	294,964	7,161	* Presently considered economic
* Dela Blujay - STOPES & Stope Devel.	4,430,873	44.65	.284	197,838,479	1,258,368			174,097,862	1,132,531	2,523,157	56,627	
Dela Blujay PILLAR RECOVERY **	529,540	46.14	.43	24,432,976	277,702	88.0	90.9	21,501,019	204,932	311,609	10,247	
TOTAL Dela Blujay **	4,960,413	44.81	.300	222,271,455	1,486,070			195,598,881	1,337,463	2,834,766	66,874	
TOTAL UNDERGROUND	5,457,680	44.964	.302	254,399,343	1,645,195			215,951,422	1,480,676	3,129,730	74,035	

* Dela Blujay Stopes. - Includes development ore within stope bounds

W E S F R O B M I N E S L I M I T E D

OPEN PIT RESERVES 1st JANUARY, 1976

	Ore DMT	% Fe	% Cu	TOTAL UNITS		% RECOVERY		RECOVERABLE UNITS		DMT CONCENTRATE		REMARKS
				Fe	Cu	Fe	Cu	Fe	Cu	Fe	Cu	
* 1 Zone	-	-	-	-	-	-	-	-	-	-	-	* Mining complet
2 Zone Sinter	795,027	41.00	-	32,596,107	-	81.0	-	26,402,847	-	425,852	-	Concentrat Sinter 62% Fe Pellet 69% Fe -
TOTAL SINTER												
2 Zone deferred not included	795,027	41.00	-	32,596,107	-	81.0	-	26,402,847	-	425,852	-	
2 Zone Pellet	342,737	43.33	0.18	14,850,794	61,693	88.0	90.0	13,068,699	55,524	189,401	2,776	Copper 20% Cu
3 Zone - 828 Bench	488,986	55.15	0.47	26,967,578	229,823	88.0	90.0	23,731,469	206,841	343,934	10,342	Cu values for pellet only
3 Zone - 775 Bench	73,491	43.81	0.07	3,219,641	5,144	88.0	90.0	2,833,284	4,630	41,062	231	
3 Zone - South Wall	160,934	53.56	0.54	8,619,625	86,904	88.0	90.0	7,585,270	78,214	109,931	3,911	
TOTAL PELLET	1,066,148	(50.329) 50.33	* 0.36	53,657,638	383,564			47,218,722	345,209	694,328	17,260	
SUB TOTAL OPEN PIT RESERVES	1,861,175	46.34	* 0.36	86,253,745	383,564			73,621,569	345,209	1,110,180	17,260	
* 2 Zone - Deferred	201,179	34.47	-	6,934,640	-	81.0	-	5,617,058	-	90,598	-	Reserves to 605 Bench
TOTAL PIT RESERVES	2,062,354	45.185	.36	93,188,385	383,564	-	-	79,238,627	345,209	1,200,779	17,260	

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W E S F R O B M I N E S L I M I T E D

REPORT ON

ORE RESERVES 1st JANUARY, 1976

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W E S F R O B M I N E S L I M I T E D

TASU, B.C.

O R E R E S E R V E S

The following is the Report required in accordance with Clause (h) of the Queen - Wesfrob Agreement of May 19, 1964.

The Open Pit ore reserves shown are within the designed open pit limits, which were modified during 1975.

Calculations of ore reserves is based upon the following criteria:

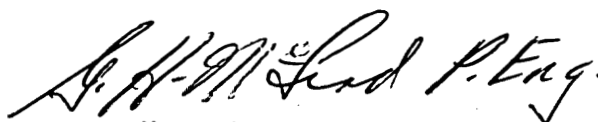
1. Magnetite less than 10 feet wide will be mined as waste.
2. Waste less than 20 feet wide is diluted ore.
3. Magnetite less than 630 assay feet on a given bench is waste.
4. Material assaying less than 18% soluble iron is waste.

Some reserves are shown adjacent to pits as we are planning on mining these areas on completion of main pit.

Underground reserves are the areas which are currently considered economic and are being developed for mining. There will be additions and or deletion to these reserves, as development progresses or economic conditions change.

It is my opinion the enclosed data and drawings give an accurate indication of the ore reserves situation of Wesfrob Mines Limited, Tasu, B.C. as of January 1st, 1976.

Respectfully submitted,



G.H. McLeod

Chief Engineer