

STATUS OF RESERVES, PRODUCTION AND DEVELOPMENTWESTERN MINES LIMITEDAUGUST 19751. RESERVES

Total reserves as of November 30, 1974 were 1,887,900 tons grading .08 oz. Au, 4.1 oz. Ag, 1.1% Cu, 1.2% Pb, 7.5% Zn.

169,061 tons of this reserve were mined in the first seven months of 1975, and 106,000 tons were replaced by additional fill in drilling in the 12 level G zone area which was originally discovered in 1974. No ore reserves have been added this year in the Myra or Price mines and the net loss in reserves is therefore 63,000 tons for the first seven months.

The ore reserve can be broken down into the following areas (not reflecting the 169,061 tons mined thus far in 1975):

Lynx South Wall 240,100 tons @ .06 oz. Au, 1.9 oz Ag, 1.7% Cu, 0.8% Pb,  
8.8% Zn.

Lynx G. zone stopes to be mined above 10 level 354,400 tons.

Lynx G zone stopes to be mined between 10 and 12 level 171,600 tons.

Lynx G zone stopes to be mined below 12 level 388,400 tons.

Grade of the G zone is .07 oz. Au, 2.4 oz. Ag, 1.2% Cu, 0.9% Pb, 6.9% Zn.

Myra regular grade 642,200 tons @ .09 oz. Au, 5.3 oz. Ag, 0.9% Cu, 1.5% Pb,  
7.4% Zn.

Myra high grade 117,000 tons @ .21 oz. Au, 17.3 oz. Ag, 0.7% Cu, 3.2% Pb,  
10.4% Zn.

Surface stockpile 60,000 tons @ .05 oz. Au, 1.2 oz. Ag, 0.6% Cu, 0.6% Pb,  
5.5% Zn.

We expect to add another 20,000 tons grading 1.5% Cu and 1.7% Zn from the lower open pit this summer.

We are currently stoping in nearly all the remaining Lynx south wall and Myra regular grade ore blocks. Development of the G zone above 10 level is largely complete and we are currently stoping or preparing to stope in all mining areas there. Development of the G zone block between 10 and 12 levels is progressing well and three stopes should be operating in this area before the end of the year. Considerable development remains to be done in the G zone block below 12 level and limited production should commence in the third quarter of 1976 by staying with a tight development schedule.

The Myra high grade stopes are all developed. The grade of this area will drop to about 15 oz. of silver per ton near the end of 1976 as 13-K-120 stope will be exhausted and replaced with the lower grade 13-K-122 stope.

2. PRODUCTION

Current production is scheduled at 875 tons per day based on a 325 day year. It is planned to achieve the same annual tonnage in 1976 in a 318 day year. The July shutdown will be extended to three weeks to alleviate production problems caused by the number of employees who are due three week vacations but daily tonnage will be increased slightly throughout the year to compensate for this.

Source of production for the next three years will be as follows:-

	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
Lynx "G" Cut & Fill Stopes	7 stopes	11 stopes	15 stopes	16 stopes
Lynx South Wall C & F Stopes	9 stopes	9 stopes	5 stopes	4 stopes
Myra Reg. Grade C & F Stopes	11 stopes	11 stopes	11 stopes	11 stopes
Blast Hole Stopes	1 stope	2 stopes	2 stopes	2 stopes
Surface Stockpile	1	1	nil	nil
Myra High Grade	3 stopes	3 stopes	3 stopes	3 stopes

The swing to the "G" zone area will have several side effects which will include increased operating costs due to longer haulage distances and increased number of stopes required to maintain the tonnage rate. Ground conditions in the G zone do not appear to be any better than the south wall area due to the flat hanging wall.

The Myra blasthole stope is scheduled to start production in April 1976 and should average 1000 tons per month, lasting until 1982. Reserves are 83,000 tons grading .07 oz., 3.8 oz., 1.0%, 0.8%, 6.3%.

The 8G blasthole stope will be exhausted in 1977 and will be replaced by the 13G blasthole stope which is scheduled for 2000 tons per month. Reserves in the 8G blasthole stope are 30,000 broken tons.

Reserves in the 13G blasthole stope are 92,000 tons grading .05 oz., 1.4 oz., 0.8%, 0.5% and 5.0%.

3. STOPE DEVELOPMENT

Lynx - Some 4300 feet of horizontal development is required by the end of 1976 solely for the development of known stoping areas in the G zone in order to meet production schedules.

In addition 300 feet of vertical development per month through the end of 1976 and 200 feet of vertical development per month in 1977 are required for G zone stope development.

At Myra the horizontal stope development is largely complete but 100 feet of raising per month will be required through 1976 to develop known reserves.

The number of new stopes coming on stream in the G zone at present is straining our capacity for timber installations but this situation should ease somewhat by next year.

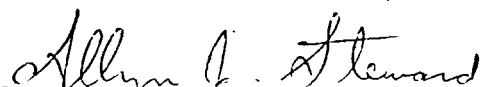
4. EXPLORATION TARGETS

No exploratory development work has been done to date in 1975. The most interesting targets remain in the following areas:-

	<u>Approx Drift Footage</u>
Lynx North Wall - 10 level west	400'
- 12 level (primarily to the west)	700'
- 14 level east and west	1700'
- 15 level X-Cut, east and west	2700'
- 16 level (downdip extension)	2200'
Myra - Price - North crosscut from Price Tunnel	1000'
- North crosscut from Myra 13 level	1000'
- 13 level west	1300'
TOTAL	<u>11,000'</u> =====

Therefore, the total of exploratory and stope development drifting in sight should conditions warrant resumption of the exploration program is in excess of 15,000 feet.

For comparison horizontal development in 1975 to date is 4301 feet and in 1974 was 12,580 feet.

  
Allyn J. Steward  
A.J. Steward  
Chief Engineer