

**MEMORANDUM**

TO: J. S. McKinney  
FROM: R. J. Bailes  
DATE: June 5, 1987  
RE: LARA 1987 GRADE & TONNAGE CALCULATIONS

The reserve estimates for 1986 are shown in Table I and compared to the estimates of one year ago in Table II. The value of the geological reserve expressed in U.S. dollars has increased by 50% since 1985; medium grade and high grade reserves have increased in value by 54% and 38% respectively.

Note that our official reserve of 923,000 tons which was calculated in mid 1986 has dropped by 6% and the total value of this reserve has dropped by 12%. This drop was precipitated mainly by the poor fall drilling results on the far east portion of the Coronation Extension Zone (Holes 80 and 85) where continuity was expected but not achieved. These poor results were offset by the discovery of high grade massive sulphides in the Coronation Zone below Trench 43.

Table III shows the medium grade tonnage in the Coronation Zone, Coronation Extension Zone and the Hanging Wall Zone. This tonnage is calculated using a cut-off grade of \$40 U.S. (\$53 Can) based on the value of the drill intercept using 1986 average metal prices.

The recent surge in metal prices has increased the gross value of the 1986 medium grade reserve from U.S. \$69 million (based on 1986 average metal prices) to U.S. \$90 million (based on May 1987 metal prices) This is double the medium grade reserve value at the end of 1985. Precious metal values now account for 57% of the gross reserve value.

Figure 1 shows the grade and tonnage calculations on a tons vs grade plot. The upper curve shows the grade and tonnage variation with cut-offs of \$10, \$30, \$50 and \$70 applied. The middle curve is a somewhat more pragmatic choice of reserve blocks and the lower curve shows what the picture looked like after the 1985 drilling season.

A breakdown of the medium and high grade reserves is shown on Tables VI to X and Figures 2, 2a, 2b, 3 and 3a. The figures are inclined long sections of the zones showing the reserve blocks used for the tonnage calculations. The tables show the grade and width of each of the reserve blocks used.

TABLE I

LARA RESOURCE TABLE

<u>Reserve</u>	<u>Cut-off Au Equiv oz/ton</u>	<u>Tonnage (short tons)</u>	<u>Width (feet)</u>	<u>Gold oz/ton</u>	<u>Silver oz/ton</u>	<u>Zinc %</u>	<u>Lead %</u>	<u>Copper %</u>	<u>Value/Ton* U.S.\$</u>
Geological	0.03	2,002,000	26'	0.053	1.40	1.97	0.43	0.33	\$ 48.25
Medium Grade	0.11	864,000	18'	0.084	2.28	3.49	0.75	0.56	\$ 79.92
High Grade	0.19	304,000	12'	0.126	3.63	6.22	1.27	0.80	\$128.86
Massive Sulphide High Grade Zones	0.25	193,000	12'	0.148	4.34	7.43	1.72	0.96	\$153.46

\* Using 1986 average metal prices

TABLE II

RESERVE COMPARISON 1985/1986

<u>Geological</u>	<u>Tons</u>	<u>Gold</u> <u>oz/ton</u>	<u>Silver</u> <u>oz/ton</u>	<u>Zinc</u> <u>%</u>	<u>Lead</u> <u>%</u>	<u>Copper</u> <u>%</u>	<u>Value/Ton</u> <u>U.S. \$</u>	<u>Total</u> <u>U.S. \$</u>
1985	1,354,000	0.056	1.30	1.96	0.39	0.36	\$47.69	64,584,135
1986	2,002,000	0.053	1.40	1.97	0.43	0.33	\$48.25	96,596,500
change	+48%						+1%	+50%
<b>MEDIUM GRADE</b>								
1985	574,000	0.087	2.11	3.45	0.65	0.57	\$78.19	44,863,780
1986	864,000	0.084	2.28	3.49	0.75	0.56	\$79.92	69,050,880
change	+51%						+2%	+54%
<b>HIGH GRADE</b>								
1985	258,000	0.124	3.08	4.69	0.95	0.81	\$110.18	28,426,440
1986	304,000	0.126	3.63	6.22	1.27	0.80	\$128.86	39,173,440
change	+18%						+17%	+38%
<b>MEDIUM GRADE 1986</b>								
1986 (summer)	923,000	0.095	2.61	3.59	0.81	0.61	\$85.20	78,639,600
1986 (year end)	864,000	0.084	2.28	3.49	0.75	0.56	\$79.92	69,050,880
	-6%						-6%	-12%

TABLE III

MEDIUM GRADE RESERVES AT \$40 U.S. CUT-OFF

	<u>Tons</u>	<u>Width (ft)</u>	<u>Gold oz/ton</u>	<u>Silver oz/ton</u>	<u>Zinc %</u>	<u>Lead %</u>	<u>Copper %</u>	<u>Value/Ton* U.S. \$</u>
Coronation Zone	560,168	20.7	0.075	1.92	3.28	0.61	0.57	\$ 72.93
Coronation Extension Zone	216,739	10.0	0.107	3.10	4.99	1.23	0.68	\$107.63
Hanging Wall Zone	87,262	17.3	0.082	2.52	1.07	0.49	0.15	\$ 55.98
TOTAL	864,169	17.7	0.084	2.28	3.49	0.75	0.56	\$ 79.92

Metal Prices U.S. \$

	May 1987	Avg. 1986
Gold	\$470/oz	\$368/oz
Silver	8.75/oz	5.47/oz
Zinc	0.45/lb	0.38/lb
Copper	0.70/lb	0.66/lb
Lead	0.34/lb	0.18/lb

Total \$ Value \$69,065,598 U.S.  
@ 1986 averages

Total Value \$89,683,459 U.S.  
@ Today's prices \$119,577,945 Can.  
(May 1987)

\*1986 average metal prices

TABLE IV

HIGHER GRADE TONNAGE  
USING \$50 CUT-OFF

	<u>Tons</u>	<u>Width</u> <u>(ft)</u>	<u>Gold</u> <u>oz/ton</u>	<u>Silver</u> <u>oz/ton</u>	<u>Zinc</u> <u>%</u>	<u>Lead</u> <u>%</u>	<u>Copper</u> <u>%</u>	<u>Value/Ton</u> <u>U.S. \$</u>
Coronation Zone	166,059	15.6	0.131	3.50	6.31	1.21	0.87	\$131.22
Coronation Extension Zone	137,471	7.7	0.121	3.78	6.12	1.35	0.72	\$126.01
TOTAL	303,530	12.0	0.126	3.63	6.22	1.27	0.80	\$128.86

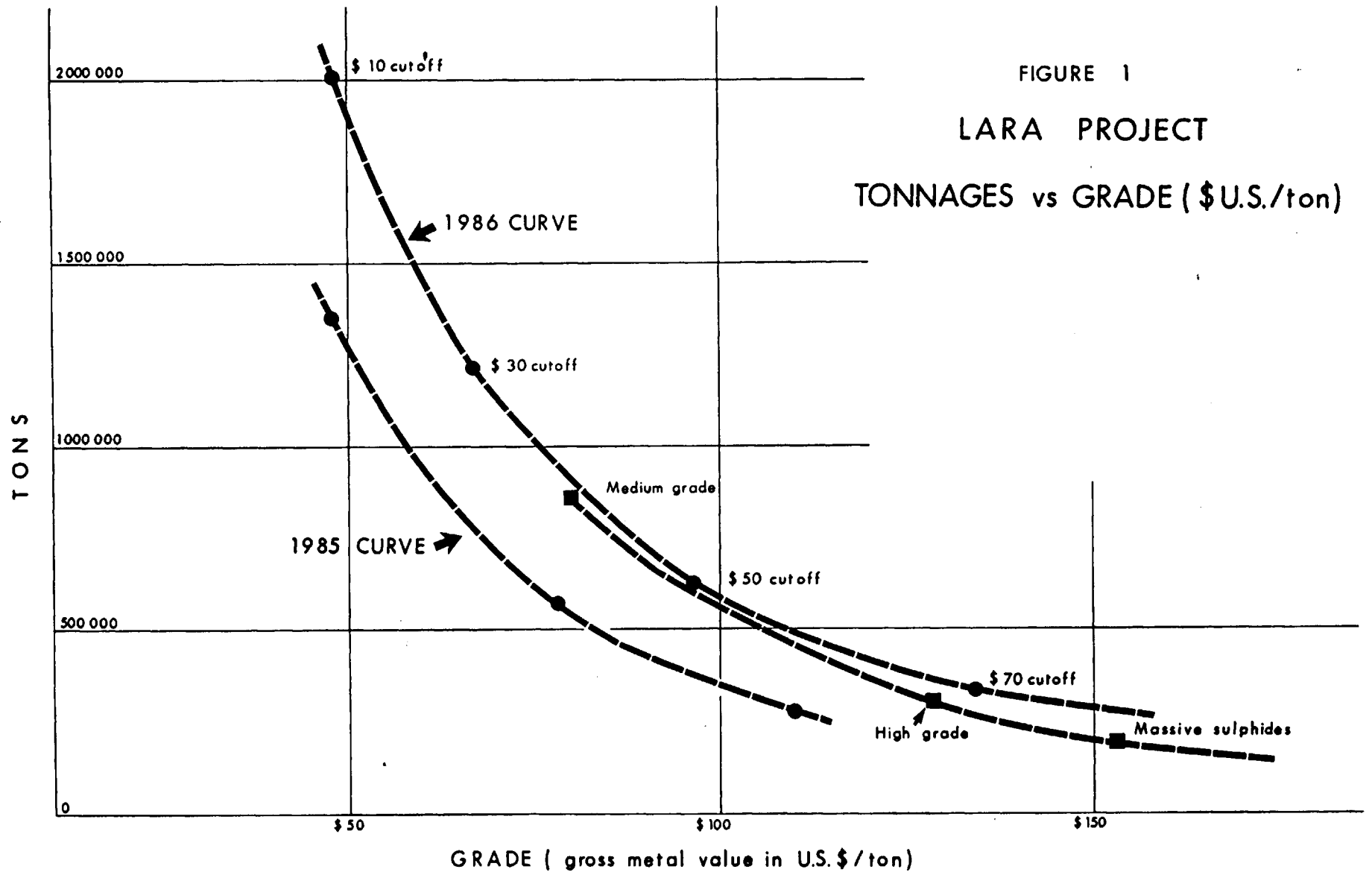
Total Value \$39,112,976

May 1987 \$50,628,349

FIGURE 1

LARA PROJECT

TONNAGES vs GRADE (\$U.S./ton)



## METAL PRICES \$ US

## \$40 CUTOFF

MEDIUM GRADE  
CORONATION ZONE

COPPER	\$0.66
LEAD	\$0.18
ZINC	\$0.38
SILVER	\$5.47
GOLD	\$353.00

DRILL HOLE CATEGORY	AREA METRES	TR WIDTH METRES	CJ %	PE %	ZN %	AG opt	AU opt	SG	TONG ORE TONS	US\$/TON	TOTAL \$	WIDTH*TONS	CJ*TONS	PE*TONS	ZN*TONS	AG*TONS	AU*TONS	SG*TONS	
TR-43	1 179.43	3.92	2.80	7.39	33.68	13.43	0.734	3.8	2927	2927	\$663.12	\$1,940,952.24	11474	8176	21631	98581	39310	2148	11123
DDH-12	1 643.98	8.40	0.68	0.45	3.01	1.97	0.105	2.9	17298	17298	\$82.82	\$1,432,620.36	145303	11763	7784	52067	34077	1816	50164
DDH-15	1 1093.45	8.38	0.52	0.54	3.47	2.37	0.079	2.8	28551	28551	\$77.23	\$2,204,993.73	239257	14847	15418	99072	67666	2256	79943
DDH-16	1 1214.19	2.00	0.40	0.21	1.60	0.82	0.020	2.8	8325	0	\$30.05	\$0.00	0	0	0	0	0	0	0
DDH-18	1 1220.84	7.41	0.17	0.46	1.34	0.86	0.036	2.8	28209	0	\$32.25	\$0.00	0	0	0	0	0	0	0
DDH-19	1 1593.13	1.99	0.53	0.28	2.45	0.78	0.046	2.9	9980	9980	\$47.87	\$477,742.60	19860	5289	2794	24451	7784	459	28942
DDH-20	1 1308.07	2.00	0.45	0.53	1.43	2.31	0.040	2.9	8240	8240	\$46.29	\$381,429.60	16430	3703	4367	12195	19034	330	23896
DDH-22	1 1693.76	8.03	0.20	0.22	1.16	0.86	0.077	2.8	42654	42654	\$52.77	\$2,250,851.58	344644	8531	9384	49479	36682	4137	119431
DDH-23	1 1760.87	3.18	0.30	0.22	0.47	0.64	0.072	2.9	17723	0	\$38.50	\$0.00	0	0	0	0	0	0	0
DDH-24	1 1780.99	10.66	0.40	0.21	1.24	1.13	0.030	2.9	60515	0	\$32.75	\$0.00	0	0	0	0	0	0	0
DDH-25	1 1693.76	3.50	0.67	0.13	2.29	0.44	0.037	2.9	19319	19319	\$42.61	\$823,182.59	69548	12944	2511	44241	8500	715	56025
DDH-27	1 1438.82	3.14	2.01	0.58	3.34	2.11	0.050	3.0	15080	15080	\$84.05	\$1,267,474.00	47351	30311	8746	50367	31819	754	45240
DDH-28	1 1100.09	10.67	0.23	0.10	1.74	0.49	0.031	2.8	36054	0	\$30.61	\$0.00	0	0	0	0	0	0	0
DDH-30	1 1787.74	14.18	0.16	0.13	1.74	0.73	0.040	2.9	30179	0	\$34.39	\$0.00	0	0	0	0	0	0	0
DDH-33	1 422.61	4.90	0.33	1.42	3.80	1.67	0.064	3.0	6758	6758	\$71.07	\$480,291.06	33114	2230	9596	25690	11286	433	20274
DDH-34	1 1173.95	9.42	0.53	0.76	4.49	1.93	0.034	2.9	34901	34901	\$66.98	\$2,337,663.98	328767	18498	26525	156705	67359	1187	101213
DDH-36	1 436.02	3.73	0.93	0.53	3.90	2.66	0.324	2.9	5163	5163	\$173.47	\$921,440.61	19258	5060	2736	20136	13734	1673	14973
DDH-37	1 513.2	6.30	1.21	0.35	2.04	1.61	0.051	3.0	10729	10729	\$60.35	\$647,495.15	67593	12982	3755	21887	17274	547	32187
DDH-38	1 1073.33	3.43	0.77	0.46	2.54	1.05	0.035	2.9	11800	11800	\$49.67	\$586,106.00	40474	9086	5423	29972	12390	413	34230
DDH-39	1 707.67	2.37	0.36	1.10	3.40	1.93	0.101	2.9	5396	5396	\$32.33	\$444,252.68	12789	1943	5936	18346	10414	545	15643
DDH-53	1 3394.25	1.98	0.20	0.59	1.43	2.62	0.038	2.9	21312	21312	\$44.55	\$949,449.60	42193	4262	12574	31542	55837	810	61805
DDH-62	1 1113.57	10.69	0.67	0.62	4.24	2.97	0.122	2.9	33030	33030	\$104.26	\$3,965,007.80	406541	25430	23579	161247	112949	4640	110287
DDH-63	1 1908.43	2.92	0.50	0.10	4.39	1.06	0.047	3.2	19670	19670	\$63.50	\$1,250,315.00	57495	9345	1969	86439	20871	925	63068
DDH-64	1 1090.3	6.36	0.19	0.46	1.12	2.14	0.067	2.9	23597	23597	\$49.14	\$1,159,556.58	161875	4483	10855	26429	50498	1581	68431
DDH-65	1 1100.09	2.00	0.09	0.17	0.49	0.63	0.127	3.0	7207	7207	\$55.71	\$401,501.97	14414	649	1225	3531	4540	915	21621
DDH-66	1 2234.1	4.93	0.24	0.17	0.95	1.33	0.075	2.8	35568	35568	\$45.95	\$1,634,349.60	177129	8536	6047	33790	47305	2668	99590
DDH-67	1 2646.33	2.00	0.61	0.82	2.96	2.05	0.023	2.9	16934	16934	\$54.28	\$919,177.52	33863	10330	13386	50125	34715	440	49109
DDH-68	1 3438.23	8.44	0.43	0.48	2.29	1.13	0.045	3.1	99788	99788	\$47.57	\$4,746,915.16	842211	42909	47898	228515	112760	4490	309343
DDH-122	1 156.79	2.76	0.36	0.53	2.93	2.87	0.225	2.8	1353	1353	\$127.66	\$172,723.98	3734	487	717	3964	3883	304	3738
DDH-125	1 275.88	2.00	0.14	0.36	2.62	0.33	0.030	2.9	1779	0	\$35.74	\$0.00	0	0	0	0	0	0	0
DDH-129	1 462.86	3.77	0.23	0.41	2.57	1.24	0.054	2.9	5576	5576	\$50.56	\$281,922.56	21022	1232	2286	14330	6914	301	16170
DDH-132	1 197.9	4.62	1.25	2.42	11.93	4.59	0.093	3.2	3221	3221	\$175.41	\$564,995.61	14381	4026	7795	33427	14784	300	10307
DDH-133	1 627.2	3.42	0.50	0.47	2.67	0.77	0.021	2.8	6662	6662	\$40.41	\$269,211.42	22784	3331	17783	5130	140	18654	
DDH-134	1 495.5	5.76	0.98	0.78	5.86	3.21	0.208	3.0	9266	9266	\$154.41	\$1,430,763.06	53372	9081	7227	54299	29744	1927	27793
DDH-135	1 519.86	2.72	1.81	3.37	15.94	7.32	0.240	3.2	5035	5035	\$285.53	\$1,437,643.55	13695	9113	16963	30253	36356	1203	16112
DDH-136	1 431.3	4.49	0.42	1.11	7.27	1.97	0.030	3.0	7032	7032	\$86.74	\$614,292.68	31798	2974	7861	51486	13952	212	21246
DDH-138	1 324.5	2.00	0.52	0.23	2.66	1.10	0.043	3.0	2123	2123	\$49.31	\$105,995.68	4256	1107	596	5660	2341	92	6394
DDH-139	1 232.57	8.55	0.78	2.42	10.41	5.27	0.118	3.1	8390	8390	\$170.50	\$1,430,495.00	71735	6544	20304	37340	44215	990	26009
DDH-140	1 3105.87	2.95	0.51	0.03	1.14	0.34	0.035	2.9	29330	0	\$30.23	\$0.00	0	0	0	0	0	0	0
DDH-141	1 181.67	6.60	0.52	1.88	6.33	3.51	0.265	3.0	4135	4135	\$178.48	\$738,014.80	27291	2150	7774	26175	14514	1096	12405
DDH-142	1 791.49	7.05	0.50	0.29	2.16	1.05	0.060	3.0	18356	18356	\$51.92	\$953,043.52	129410	9173	5323	39649	19274	1101	55063
DDH-143	1 486.3	2.00	0.46	0.13	0.89	0.82	0.042	2.8	3023	0	\$33.07	\$0.00	0	0	0	0	0	0	0
DDH-144	1 483.81	2.00	0.93	1.01	4.12	2.67	0.075	3.1	3237	3237	\$90.08	\$296,273.12	6573	3223	3322	13551	8782	247	10176
DDH-146	1 651.52	2.00	3.55	2.83	16.98	12.26	0.084	3.3	4753	4753	\$284.13	\$1,350,469.39	9506	16873	13451	50706	58272	399	15685
TOTALS	49581.27	6.32	0.57	0.61	3.23	1.92	0.075	3.0	825395	560168	\$72.93	\$40,860,619.28	3541705	321251	341399	1833429	1075466	42200	1656295

## LARA TONNAGE ESTIMATE 1987 CORONATION EXTENSION ( MINEABLE )

TABLE VII

MEDIUM GRADE  
CORONATION EXTENSION ZONE

METAL PRICES \$ US	\$40 CUTOFF
COPPER	\$0.66
LEAD	\$0.18
ZINC	\$0.38
SILVER	\$5.47
GOLD	\$368.00

DRILL HOLE CATEGORY	AREA METRES	TR WIDTH METRES	CU %	PB %	ZN %	AG opt	AU opt	SG	TONS ORE TONS	US\$/TON	TOTAL \$	WIDTH*TONS	CU*TONS	PB*TONS	ZN*TONS	AG*TONS	AU*TONS	SG*TONS	
DDH-40	2 1901.74	2.82	1.16	2.53	9.22	8.60	0.213	3.0	17909	17909	\$220.05	\$3,940,875.45	50503	20774	45310	165121	154017	3815	53727
DDH-42	2 2180.16	4.26	0.12	0.56	1.42	0.74	0.097	3.0	30225	30225	\$50.65	\$1,530,896.25	128759	3627	16926	42920	22367	2630	90675
DDH-43	2 1961.39	2.25	1.18	0.02	0.22	0.46	0.047	2.9	13862	0	\$37.17	\$0.00	0	0	0	0	0	0	0
DDH-44	2 1603.20	3.54	0.36	1.07	4.66	2.11	0.185	3.0	18451	18451	\$123.50	\$2,278,698.50	65317	6642	19743	85982	38932	3413	55353
DDH-48	2 1143.76	2.49	0.59	0.74	4.82	1.45	0.024	2.8	7487	7487	\$64.01	\$479,242.87	13643	4417	5540	36087	10856	180	20964
DDH-50	2 2599.35	2.00	0.12	0.20	1.35	2.13	0.025	2.8	16312	0	\$33.55	\$0.00	0	0	0	0	0	0	0
DDH-51	2 2810.65	2.00	0.63	0.96	3.32	3.31	0.063	2.8	17281	17281	\$73.29	\$1,352,929.49	34562	10887	16590	57373	57200	1089	48387
DDH-77	2 1804.44	2.00	0.42	1.96	5.74	4.33	0.158	2.9	11406	11406	\$137.07	\$1,563,420.42	22812	4791	22356	65470	49388	1768	33077
DDH-78	2 2965.00	2.00	0.42	0.06	2.75	0.56	0.040	2.9	19193	19193	\$44.42	\$852,775.16	38396	8063	1152	52795	10751	768	55674
DDH-80	2 2951.52	4.59	0.86	1.76	4.10	3.08	0.103	3.0	44395	44395	\$103.60	\$4,599,322.00	203773	33180	78135	182020	136737	4573	133185
DDH-85	2 4081.90	2.00	1.29	0.56	8.28	4.65	0.135	3.2	28569	28569	\$156.88	\$4,481,904.72	57138	36854	15959	236551	132846	3857	91421
DDH-114	2 3196.43	2.00	0.61	2.01	7.18	2.65	0.051	3.1	21818	21818	\$103.05	\$2,248,344.90	43636	13309	43854	156653	57818	1113	67636
TOTALS	29199.54	3.06	0.68	1.28	4.99	3.10	0.107	3.0	246913	216739	\$107.63	\$23,328,131	663538	147545	265604	1080971	670911	23204	650099



LARA TONNAGE ESTIMATE 1987 HANGING WALL ZONE ( MINEABLE )

TABLE VIII

METAL PRICES \$ US

\$40 CUTOFF

COPPER \$0.66  
LEAD \$0.18  
ZINC \$0.38  
SILVER \$5.47  
GOLD \$368.00

MEDIUM GRADE  
HANGING WALL ZONE

DRILL HOLE CATEGORY	AREA METRES	TR WIDTH METRES	CU %	FE %	ZN %	AG ppt	AU ppt	SG	TONS ORE TONS	US\$/TON	TOTAL \$	WIDTH*TONS	CU*TONS	FE*TONS	ZN*TONS	AG*TONS	AU*TONS	SG*TONS	
DDH-20	3 402.24	2.70	0.17	0.75	1.21	2.40	0.023	2.8	3370	0	\$35.82	\$0.00	0	0	0	0	0	0	
DDH-21	3 1895.00	2.00	0.05	0.04	0.07	0.72	0.079	2.7	11238	0	\$34.42	\$0.00	0	0	0	0	0	0	
DDH-27	3 412.55	2.04	0.13	0.43	0.93	2.50	0.131	2.3	2597	2597	\$72.70	\$188,801.90	5298	338	1117	2545	6493	340	7272
DDH-31	3 643.97	1.99	0.12	0.74	1.48	2.28	0.028	2.8	3952	0	\$38.21	\$0.00	0	0	0	0	0	0	
DDH-94	3 4960.62	5.37	0.15	0.49	1.07	2.52	0.081	2.9	84665	84665	\$55.72	\$4,717,533.80	454651	12700	41436	90592	213356	6853	245529
DDH-140	3 2914.69	3.68	0.09	0.46	0.90	1.93	0.045	2.3	33087	0	\$36.93	\$0.00	0	0	0	0	0	0	
TOTALS	11229.07	5.27	0.15	0.49	1.07	2.52	0.082	2.9	138959	87262	\$55.93	\$4,884,761	489949	13037	42603	93137	219848	7193	252300

## RESERVE CALCULATIONS LARA PROJECT 1986

CORONATION ZONE FIFTY DOLLAR CUTOFF

TABLE IX  
HIGH GRADE  
CORONATION ZONE

METAL PRICES (US-\$)

COPPER	\$0.66
ZINC	\$0.38
LEAD	\$0.18
GOLD	\$368.00
SILVER	\$5.47

MINEABLE TONS

DRILL HOLE NUMBER	START METERS	FINISH METERS	INTERVAL METERS	BA GRADE %	CU GRADE %	PB GRADE %	ZN GRADE %	AG GRADE oz/ton	AU GRADE oz/ton	SPECIFIC GRAVITY	TRUE THICKNESS	INTERVAL VALUE \$	TONNAGE S.T.	TONNAGE XINTERV VALUE
TR-43	2.00	6.50	4.50	0.00	2.80	7.39	33.68	13.43	0.734	3.3	3.92	\$663.12	2927	\$1,940,952.24
DDH-12	51.38	60.08	8.70	0.37	0.68	0.45	3.01	1.97	0.105	2.9	8.40	\$82.82	17298	\$1,432,620.36
DDH-15	51.54	55.85	4.31	0.30	0.73	0.73	5.45	3.43	0.127	2.9	4.15	\$119.21	14534	\$1,732,598.14
DDH-53	74.64	77.97	3.33	0.37	0.43	1.88	5.05	1.34	0.076	3.0	3.06	\$86.02	4284	\$368,509.68
DDH-34	76.13	82.19	6.06	0.57	0.61	1.11	6.24	2.70	0.034	2.9	5.47	\$86.81	20590	\$1,787,417.90
DDH-36	23.67	27.63	3.96	0.39	0.98	0.53	3.90	2.66	0.324	2.9	3.73	\$178.47	5163	\$921,440.61
DDH-37	31.46	38.10	6.64	0.33	1.21	0.35	2.04	1.61	0.051	3.0	6.30	\$60.35	10729	\$647,495.15
DDH-39	51.19	53.53	2.34	0.37	0.42	1.28	3.97	2.24	0.103	3.0	2.00	\$90.62	4600	\$416,852.00
DDH-62	36.69	97.57	10.88	0.44	0.70	0.69	4.70	3.34	0.136	2.9	9.23	\$115.62	32808	\$3,793,260.96
DDH-62	108.66	111.02	2.36	0.88	0.23	1.44	3.12	3.17	0.144	2.9	2.00	\$102.00	7126	\$726,852.00
DDH-122	21.02	23.86	2.84	0.33	0.36	0.53	2.93	2.87	0.225	2.8	2.76	\$127.66	1353	\$172,723.98
DDH-129	47.12	49.77	2.65	0.46	0.32	0.59	3.61	1.23	0.072	2.9	2.00	\$66.91	3001	\$200,796.91
DDH-132	25.84	29.11	3.27	0.26	1.73	3.50	17.13	6.24	0.121	3.4	2.96	\$244.31	2167	\$529,419.77
DDH-134	15.00	23.74	13.74	0.35	1.09	0.85	6.45	3.66	0.237	3.0	4.92	\$173.54	7949	\$1,379,469.46
DDH-135	8.25	14.32	6.07	0.16	2.15	4.03	18.99	8.77	0.287	3.3	2.17	\$340.79	4151	\$1,414,619.29
DDH-136	14.08	16.22	2.14	0.21	0.79	2.30	12.21	3.95	0.046	3.1	2.00	\$150.22	3275	\$491,970.50
DDH-139	29.64	38.24	8.60	0.34	0.73	2.42	10.41	5.27	0.118	3.1	8.55	\$170.50	8390	\$1,430,495.00
DDH-141	17.22	26.51	9.29	0.31	0.74	2.20	8.95	4.04	0.116	3.1	2.72	\$150.58	1768	\$266,225.44
DDH-142	63.93	66.53	2.55	0.42	0.39	0.33	2.10	0.94	0.149	2.9	2.37	\$82.49	5904	\$487,020.96
DDH-144	61.66	63.72	2.06	0.26	0.98	1.01	4.12	2.67	0.075	3.1	2.00	\$90.08	3289	\$296,273.12
DDH-146	35.39	37.47	2.08	0.11	3.55	2.83	16.98	12.26	0.084	3.3	2.00	\$284.13	4753	\$1,350,469.89

WEIGHTED AVERAGE GRADES

0.40 0.87 1.21 6.31 3.50 0.131 3.0 4.75 \$131.22 165059 \$21,790,876.52

## RESERVE CALCULATIONS LARA PROJECT 1986

## CORONATION EXTENSION FIFTY DOLLAR CUTOFF

TABLE X

HIGH GRADE  
CORONATION EXTENSION ZONE

## METAL PRICES (US-\$)

COPPER	\$0.66
ZINC	\$0.38
LEAD	\$0.18
GOLD	\$368.00
SILVER	\$5.47

DRILL HOLE NUMBER	START METERS	FINISH METERS	INTERVAL METERS	BA GRADE %	CU GRADE %	PB GRADE %	ZN GRADE %	AG GRADE oz/ton	AU GRADE oz/ton	SPECIFIC GRAVITY	TRUE THICKNESS	INTERVAL VALUE \$	TONNAGE S.T.	TONNAGE XINTERV VALUE
DEH-40	46.00	50.80	4.80	0.63	1.16	2.53	9.22	8.60	0.213	3.0	2.82	\$220.05	17909	\$3,940,875.45
DEH-42	110.20	112.51	2.31	0.39	0.10	1.09	2.62	1.23	0.095	3.0	2.00	\$66.86	14550	\$972,813.00
DEH-44	76.26	82.14	5.88	1.20	0.36	1.07	4.66	2.11	0.185	3.0	3.54	\$123.50	18451	\$2,278,693.50
DEH-48	93.14	95.77	2.63	0.48	0.59	0.74	4.82	1.45	0.024	2.8	2.49	\$64.01	7487	\$479,242.87
DEH-51	102.46	104.57	2.11	0.38	0.63	0.96	3.32	3.31	0.063	2.8	2.00	\$73.29	17231	\$1,352,929.49
DEH-77	61.93	64.34	2.41	0.58	0.42	1.96	5.74	4.33	0.155	2.9	2.00	\$137.07	11406	\$1,563,420.42
DEH-85	87.72	90.16	2.44	0.59	1.29	0.56	3.23	4.65	0.135	3.2	2.00	\$156.38	28567	\$4,481,904.72
DEH-114	73.64	76.05	2.41	0.42	0.61	2.01	7.18	2.65	0.051	3.1	2.00	\$103.05	21818	\$2,248,344.90

## WEIGHTED AVERAGE GRADES

0.60	0.72	1.35	6.12	3.73	0.121	3.0	\$126.01	137471	\$17,323,161.26
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560168 tons at U.S. \$ 72.93/ton (C. \$ 97.24)  
 0.075 oz /ton Au; 1.92oz/ton Ag; 3.28% Zn; 0.61% Pb; 0.57% Cu

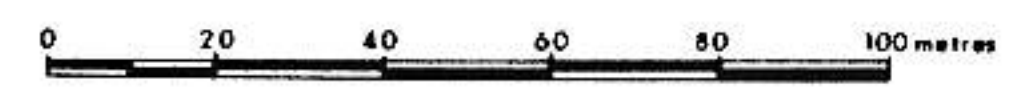
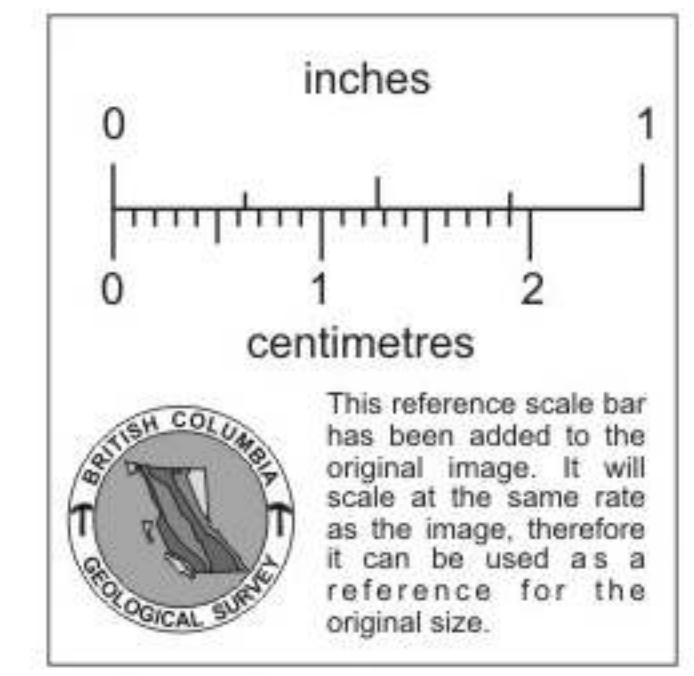
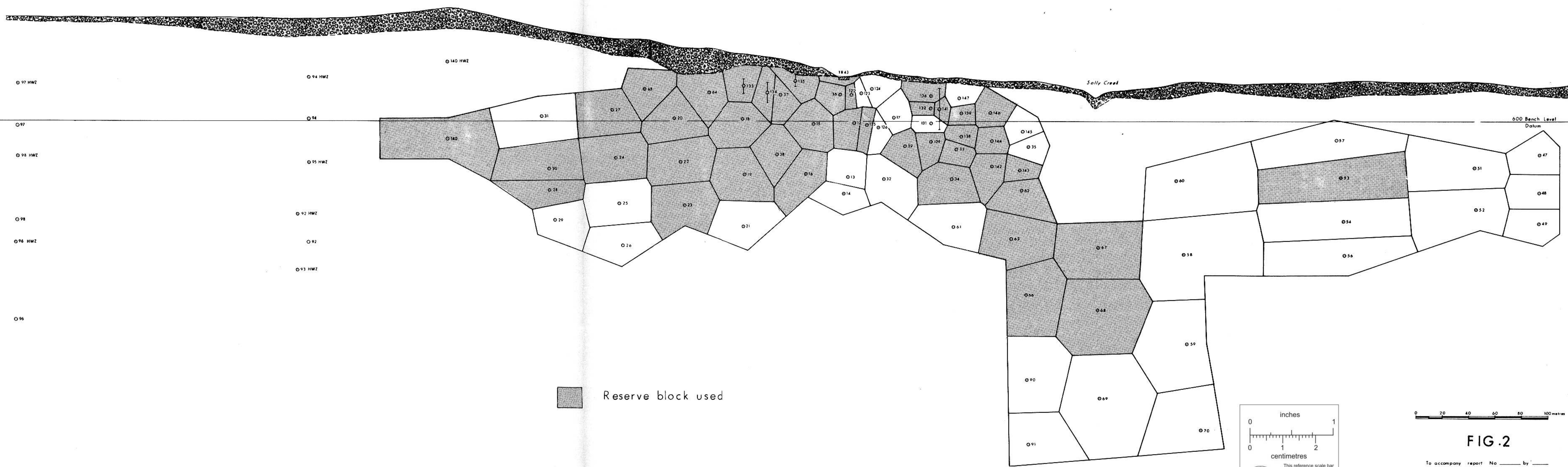


FIG. 2

To accompany report No. \_\_\_\_\_ by \_\_\_\_\_

MEDIUM GRADE RESERVE

**ABERMIN CORPORATION**  
 LARA PROJECT - CORONATION ZONE  
 INCLINED LONG SECTION  
 RESERVE BLOCKS  
 CORONATION ZONE  
 DATE: MAY, 1987 SCALE: 1 NTS: 92 B / 13 W DEWG. NO: Dec. 1986

216 739 tons at U.S. \$ 107.63 (C.143.51)  
 0.107oz/ton Au; 3.10 oz/ton Ag; 4.99 % Zn; 1.23% Pb; 0.68% Cu

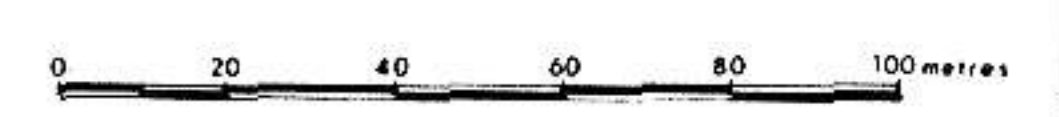
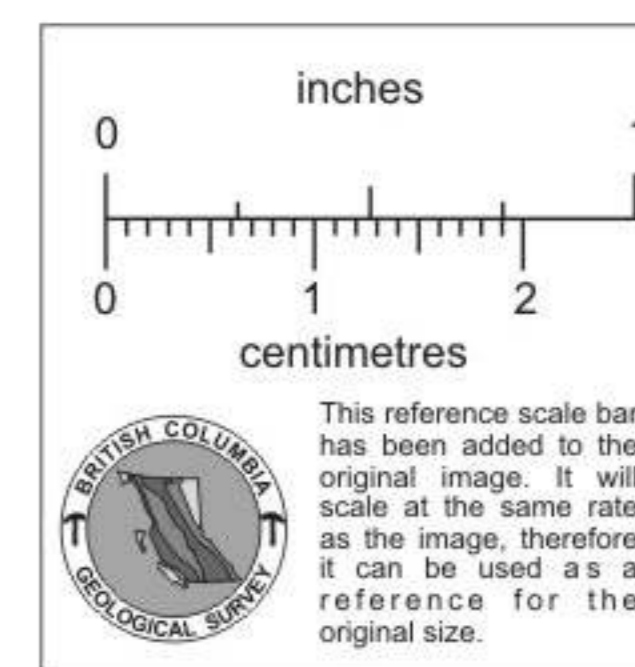
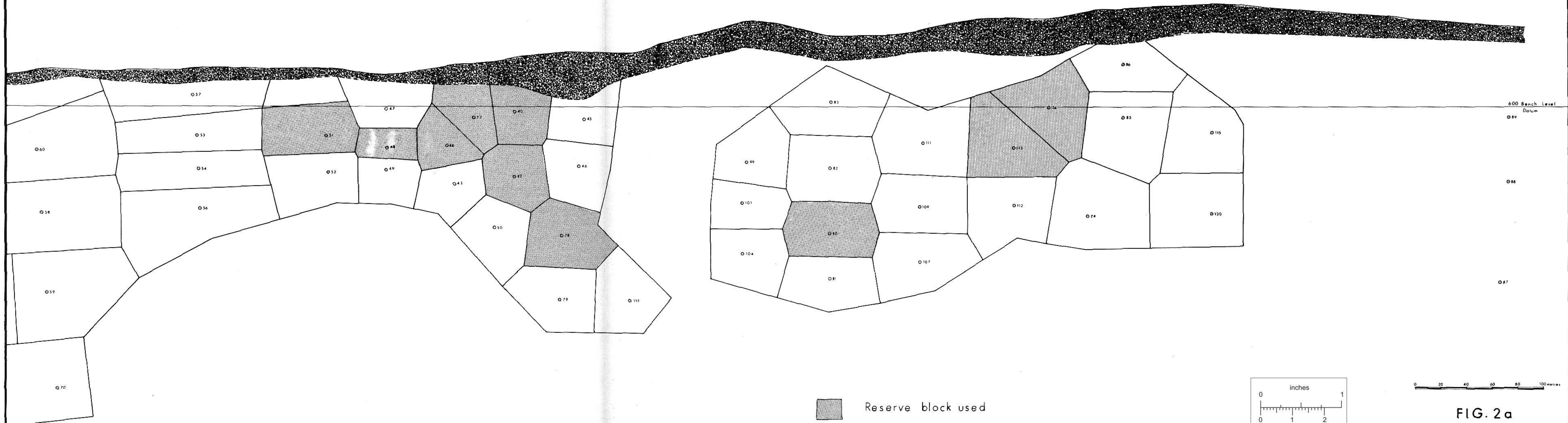


FIG. 2a

To accompany report No. \_\_\_\_\_ by \_\_\_\_\_

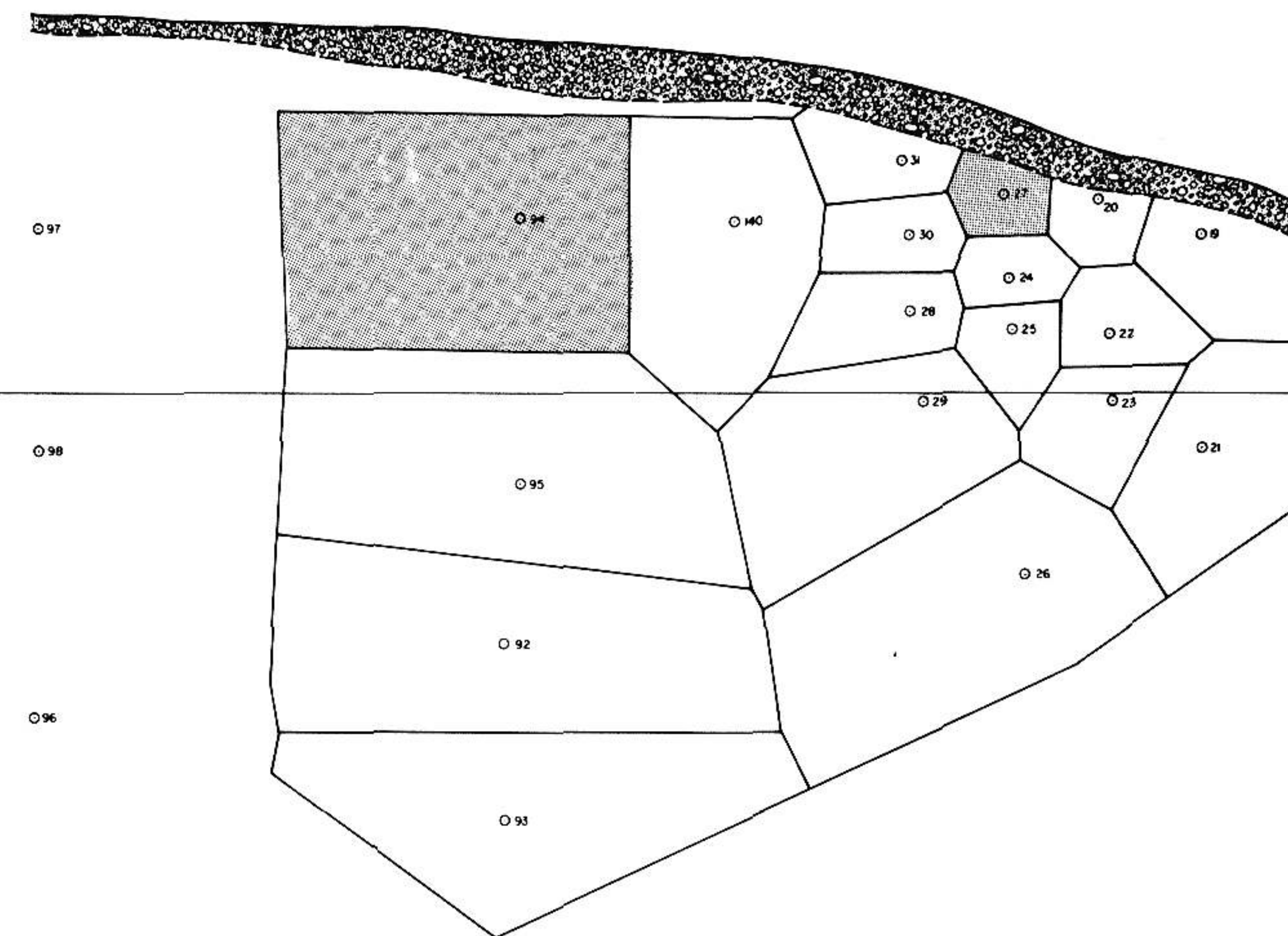
**MEDIUM GRADE RESERVE**

**ABERMIN CORPORATION**

LARA PROJECT - CORONATION EXTENSION  
 INCLINED LONG SECTION  
 RESERVE BLOCKS  
 CORONATION EXTENSION ZONE

DATE	SCALE	MIS	DPWG. NO.
MAY, 1987	1	92B / 13W	Dec. 1986

87 262 tons at U.S. \$ 55.98 (C. \$ 74.64)  
 0.082 oz/ton Au; 2.52 oz/ton Ag; 1.07 % Zn; 0.49 % Pb; 0.15 % Cu



 Reserve block used

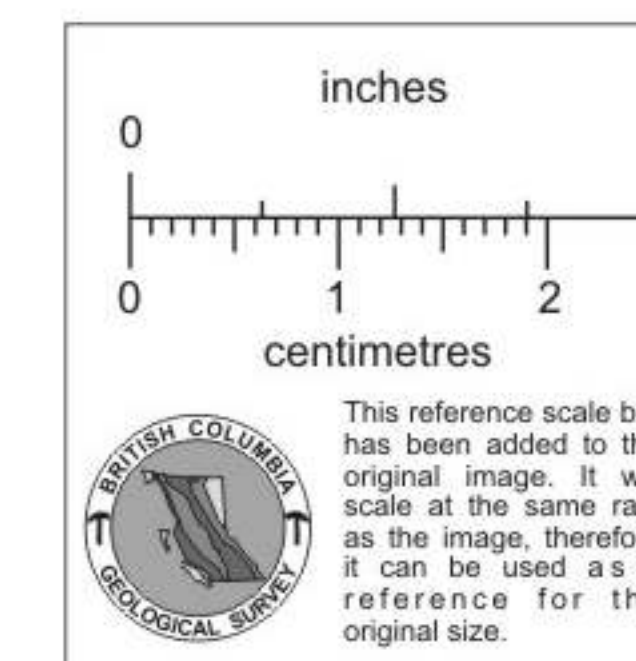


FIG. 2b

To accompany report No. \_\_\_\_\_ by \_\_\_\_\_

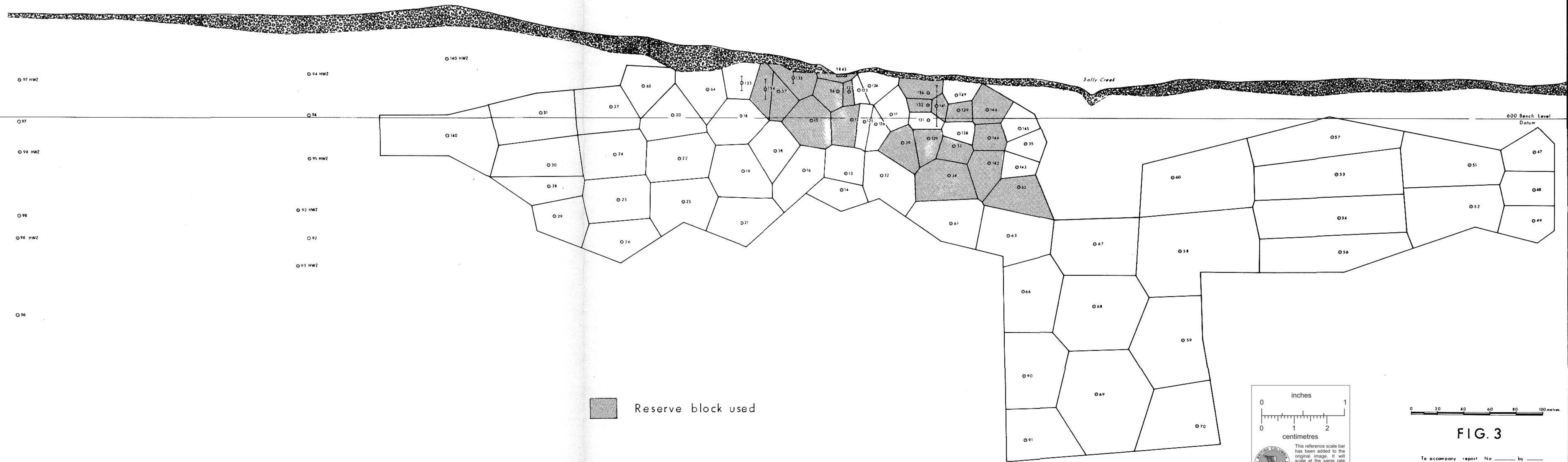
**MEDIUM GRADE RESERVE**

**ABERMIN CORPORATION**

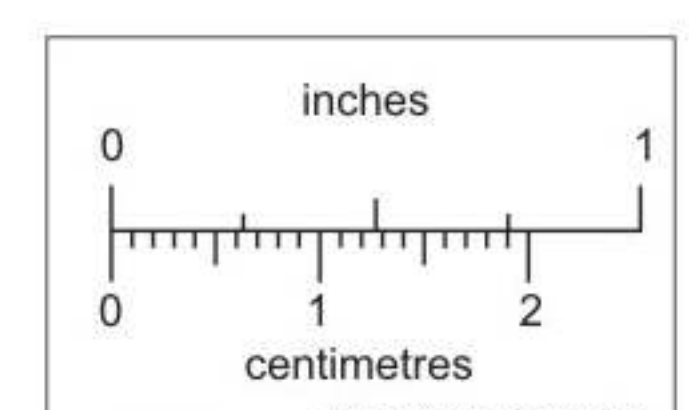
LARA PROJECT-CORONATION EXTENSION  
 INCLINED LONG SECTION  
 RESERVE BLOCKS  
 HANGING WALL ZONE

DATE: MAY 1987 SCALE: 1: N.T.S. 92 B / 13 W ORG. NO. Dec. 1986

166 059 tons at US \$ 131.22 / ton ( C.\$ 174.96 )  
 0.131oz/ton Au; 3.50oz/ton Ag; 6.31% Zn; 1.21% Pb; 0.87% Cu



Reserve block used



This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.

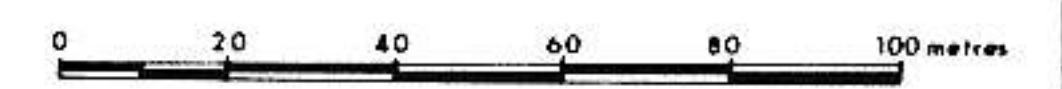


FIG. 3

To accompany report No. \_\_\_\_\_ by \_\_\_\_\_

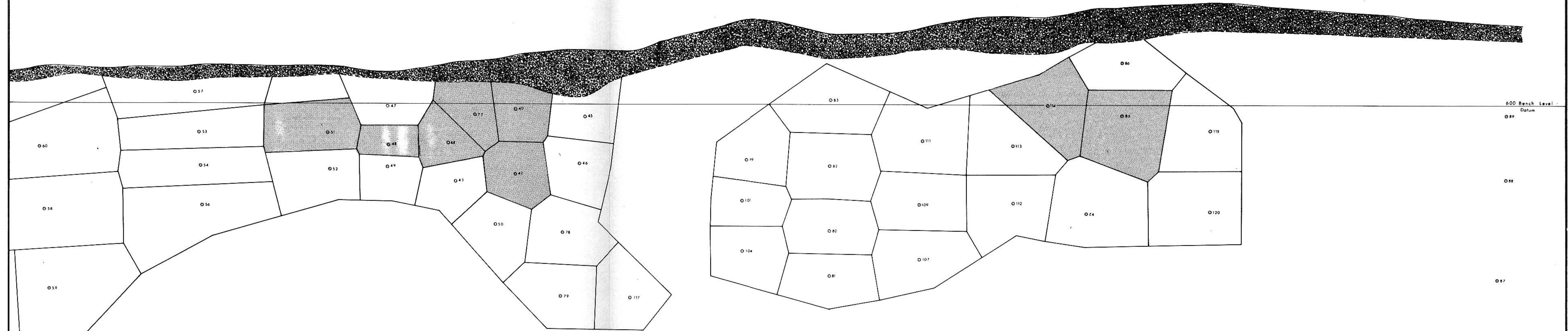
**HIGH GRADE RESERVE**

**ABERMIN CORPORATION**

LARA PROJECT - CORONATION ZONE  
 INCLINED LONG SECTION  
 RESERVE BLOCKS  
 CORONATION ZONE

DATE	SCALE	NTS	DRWG NO
MAY, 1987	1	92 B / 13 W	Dec. 1986

137 471 tons at U.S. \$ 126.01/ton (C. \$ 168.01)  
 0.121 oz/ton Au; 3.78 oz/ton Ag; 6.12% Zn; 1.35% Pb, 0.72% Cu



 Reserve block used

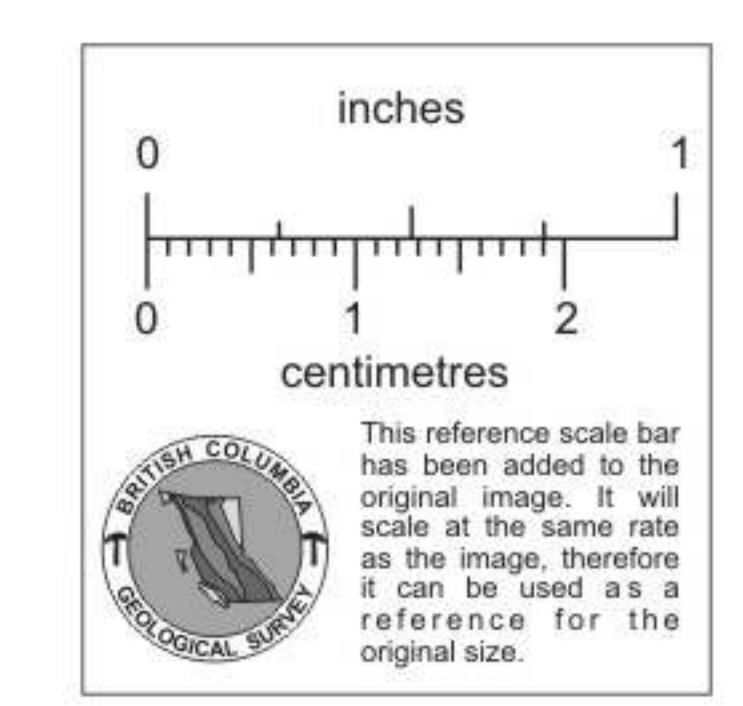


FIG. 3 a

To accompany report No. \_\_\_\_\_ by \_\_\_\_\_

**HIGH GRADE RESERVE**

**ABERMIN CORPORATION**

LARA PROJECT - CORONATION EXTENSION  
 INCLINED LONG SECTION  
 RESERVE BLOCKS  
 CORONATION EXTENSION ZONE

DATE MAY, 1987	SCALE 1	NES 928 / 13 W	DRWG NO. Dec 1986
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