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To The Shareholders:

Exploration drilling of the Windy Craggy deposit in northwestern British Columbia resumed in mid March after a shutdown extending from the Christmas holiday. This pause provided an opportunity to catch up all sampling, assaying and information compilation and enabled new reserve calculations to be made. Areas of the deposit requiring further drilling were identified and are now the target of the renewed drilling.

The Stage I Environmental and Socioeconomic Impact Assessment report was delivered to the British Columbia Government Mine Development Steering Committee at the end of January 1990. More than 150 copies of this report were distributed to the various reviewing agencies as well as to Community Leaders and Public Libraries. An advertising campaign informed local communities of the report and advised them of public information meetings that the company will hold in May.

At the Annual Meeting of Shareholders of Geddes Resources Limited on May 2, 1990 the following directors were re-elected.

Sylvester P. Boland	Michael F. K. Carter
J. Peter Foster	Gerald Harper
John F. Kearney	John Kostuik
J. Douglas Little	Gordon H. Montgomery
Alan C. Savage	Geddes M. Webster

The firm of Price Waterhouse was reappointed as auditors of the company.

The Board of Directors appointed Keith Somerville as Vice President, Mine Development, with responsibility for directing the feasibility study, environmental permitting and engineering programs.

Reserves

Consultants Derry, Michener, Booth & Wahl completed a study of the undiluted geological reserves in February using conventional geological methods. Incorporating all information to the end of 1989, this study increased the proportion of probable to possible reserves over their August, 1989 calculation and also incorporated proven reserves for the first time.

At a cut-off grade of 0.5% copper the total mineralized resource has increased to 210 million tonnes. This includes 32.9 million tonnes of proven reserves and 110.2 million tonnes of probable that together have an average copper grade of 1.7%. In addition to the total resource of 210 million tonnes, Derry, Michener, Booth & Wahl have identified supplementary uncategorized reserves of 3.4 million tonnes in gossan zones and 1.6 million tonnes of supergene mineralization. The former is enriched in gold and the latter in copper.

Reserve Blocks greater than 0.5% Cu

Category	'000 Tonnes	Cu %	Co %	Au g/t	Ag g/t
Proven	32,904	2.12	0.083	0.16	3.30
Probable	110,203	1.56	0.085	0.21	3.44
Total	143,107	1.69	0.084	0.20	3.41
Possible	66,919	1.59	0.089	0.18	3.62

Reserve Blocks greater than 1.0% Cu

Category	'000 Tonnes	Cu %	Co %	Au g/t	Ag g/t
Proven	32,904	2.12	0.083	0.16	3.30
Probable	80,880	1.84	0.082	0.22	3.84
Total	113,784	1.92	0.082	0.21	3.69
Possible	52,446	1.83	0.082	0.21	4.27

A revised geostatistical study, incorporating the additional information to the end of 1989 and mining dilution was completed by Montgomery Consultants. This study identified total reserves of 186.5 million tonnes including proven reserves of 33.4 million tonnes and probable reserves of 126.6 million tonnes.

Cutoff grade — % Cu

	0.5%		1.0%	
	'000 Tonnes	% Cu	'000 Tonnes	% Cu
South Zone				
Proven	13,700	1.79	11,300	2.02
Probable	63,700	1.58	49,000	1.85
Total	77,400	1.62	60,300	1.88
Possible	11,900	1.44	8,700	1.70
	89,300			
North Zone				
Proven	19,650	1.89	19,100	1.92
Probable	62,900	1.86	60,900	1.90
Total	82,550	1.87	80,000	1.90
Possible	14,700	1.56	12,500	1.69
	97,250			
	186,500			

Mine Planning

A revised open pit mine plan is being prepared incorporating the new reserve information. Preliminary indications are that during the early years of mining the average grade of mill feed can be maintained at 2% copper at a waste to ore stripping ratio of less than one to one.

Metallurgy

Pilot plant scale testwork on 220 tonnes of bulk samples at Lakefield Research was completed in February. This established the grinding and milling characteristics of the mineralization and demonstrated good recoveries into a copper concentrate.

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Geddes Res. Ltd.
Interim Report
3 months ended
Mar 31/90