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STRONSAY (Cirque)

CIM Distr. 6

Oct. 12/92

- Graham Clow
- See abstract!
- To date ~ \$60m spent
- 14-18 mo construction period
- 2 wks in / 2 out
- pave Finbow airstrip
- 185 on site at any one time
- now in Stage 3 (permits in Draft form)

property is situated in an unglaciated area on the southwest side of the Selwyn Basin approximately 5 km northeast of the Tintina Fault. In this area, the Selwyn Basin is dominated by folded and thrust-faulted paleozoic clastic sediments of the Bond River and Earn Groups. This sequence is intruded by shallow-dipping Cretaceous (93 Ma) porphyritic monzonite sills. Mineralization is dominantly hosted within the intrusives but is also present in the sediments and volcanic tuffs. Rocks that deform in a brittle manner providing open space are the most favourable host. The gold mineralization occurs in both oxide and unoxidized material. To date the mineralization has been traced along 10 km and nine zones have been defined.

3:30 p.m. — Coffee Break

Paper No. 4 — 4:00 p.m.

The Stronsay Project.

GRAHAM CLOW, Vice-President, Curragh Inc.

Curragh Inc. is a leading world producer of lead and zinc concentrates. The company was formed in 1985 to acquire the assets of the former Cyprus Anvil Mining Corporation from Dome Petroleum. In late 1985, Curragh reactivated the dormant Faro, Yukon, open pit operation. In 1991, Curragh opened the SA Dena Hes lead-zinc mine, near Watson Lake, Yukon, and the Westray Coal mine in New Glasgow, Nova Scotia. Curragh supplied approximately 3% of the western world's zinc concentrates and 5% of the western world's lead concentrates in 1991.

Through a subsidiary — Stronsay Corporation — Curragh owns the Stronsay Property which hosts one of Canada's largest undeveloped lead-zinc mineral deposits. Since the discovery of the deposit in 1977, Curragh and previous operators have carried out surface and underground exploration, environmental studies, geological and metallurgical investigations, engineering studies, and government infrastructure negotiations.

The mineral inventory is currently estimated to be 50 Mt, grading 10% combined zinc and lead, and the potential to expand this tonnage is judged excellent. Mine plans have been laid out for a 4000 tpd underground operation using blast hole open stoping and mechanized cut-and-fill methods. Mineable ore reserves are presently 24 700 000 mineable tonnes, grading 8.5% Zn, 2.3% Pb, and 50.8 g/t Ag, enough to produce 250 000 dry tonnes of saleable concentrates per year (80% of which is zinc concentrate) for the first five years and an average of 225 000 dry tonnes per year over seventeen years. Markets for the concentrates exist in Europe, Asia, and elsewhere.

The development of the Stronsay Property includes the extension and expansion of the existing underground workings, installation of an underground crusher and conveying system, the construction and installation of surface plant and equipment, offices, shops, and employee accommodation, upgrades of existing access roads and airstrip, the construction of a barge, and the construction of a port facility. On-site construction is expected to begin in the spring of 1993 and will take fourteen to eighteen months. Capital costs are estimated to be \$130 million for on-site construction and development. In addition, equipment valued at \$25 million will be leased and it is planned that the Province of British Columbia will fund multi-user transportation infrastructure to the value of \$37 million. The efficient, low-cost orebody will make the Stronsay Project very competitive among world concentrate producers.

This paper will describe the development plans for the project, as well as Curragh's experiences in following the B.C. Mine Development Review Process and in developing and maintaining a positive working relationship with local native groups.

Paper No. 5 — 4:40 p.m.

Eskay Creek Project.

RAJ ANAND, Homestake Canada Ltd.

The following key title areas will be discussed in this paper, history, process plant design, mining and ore reserves, permitting, environment, location and native involvement, and schedule.

WITHDRAWN!

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