

ABERFOYLE LIMITED - (MINING DIVISION)

ORE RESERVE ESTIMATE AS AT 1.7.1971

The measurement of the ore reserve has been carried out as in the past four years. All blocks have been plotted on longitudinal projections and dimensions of blocks measured in the plane of the vein. Stoping widths average approximately four feet and the maximum width assumed in new blocks is four feet for calculation purposes.

Classification of the ore reserve has been confined to "Indicated" and "Inferred" ore, the definitions of which are -

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| <u>Indicated Ore</u> - | a) | Ore proved on three or more sides. |
| | b) | Ore proved on two sides reasonably close together. |
| | c) | Ore proved on one side when extension of ore for 20 feet is allowed. |
| <u>Inferred Ore</u> - | | Ore extending for 20 feet beyond the limits of indicated ore. |

The ore reserve at July, 1971 exceeded the ore reserve at July, 1970 by 8,400 tons. The increase is attributable to stope development (25,200 tons), driving and rising (17,100 tons), and reduced by a net extraction from stopes of 33,900 tons, leaving the net increase of 8,400 tons.

- Table 1 - gives the indicated and inferred ore reserve, level by level, as at 1.7.1971.
- Table 2 - gives a level by level comparison of the indicated and inferred ore reserve as at 1.7.1970 to 1.7.1971.
- Table 3 - gives a level by level comparison of the total ore reserve as at 1.7.1970 and 1.7.1971, with reasons for divergencies given in the remarks column.

TABLE II

TABLE I.

LEVEL BY LEVEL COMPARISON OF INDICATED AND INFERRED ORE RESERVES AS AT 1st JULY, 1971.

LEVEL	INDICATED ORE TONS	INFERRED ORE TONS	TOTAL ORE TONS	DIFFERENCE
1	9,300	2,200	11,500	+1,300
2	12,800	6,200	19,000	+ 700
3	16,550	5,950	22,500	+3,050
4	31,950	7,350	39,300	+ 350
5	59,200	10,600	69,800	+1,400
6	60,200	14,300	74,500	+1,800
7	42,350	1,350	43,700	+ 250
8	67,900	9,200	77,100	+4,400
9	35,150	7,800	42,950	+ 700
10	10,500	300	10,800	+ 300
11	4,400	-	4,400	-
12	2,900	-	2,900	-
TOTALS	353,200	65,250	418,450	+13,050

Inferred increase 13,050 tons
 Indicated decrease 4,650 *
1970/71 Ore Reserves Increase 8,400 *

TABLE II

LEVEL BY LEVEL COMPARISON OF INDICATED AND INFERRED ORE RESERVE TONNAGES AS AT 1st JULY, 1970 and 1st JULY, 1971

LEVEL	INDICATED		DIFFER- ENCE	INFERRED		DIFFER- ENCE
	1970	1971		1970	1971	
1	6,800	9,300	+2,500	900	2,200	+1,300
2	12,650	12,800	+ 150	5,500	6,200	+ 700
3	13,300	16,550	+3,250	2,900	5,950	+3,050
4	27,400	31,950	+4,550	8,200	7,350	- 850
5	60,600	59,200	-1,400	9,200	10,600	+1,400
6	60,100	60,200	+ 100	12,500	14,300	+1,800
7	45,700	42,350	-3,350	1,100	1,350	+ 250
8	69,000	67,900	-1,100	4,800	9,200	+4,400
9	43,600	35,150	-8,450	7,100	7,800	+ 700
10	10,500	10,500	-	-	300	+ 300
11	5,300	4,400	- 900	-	-	-
12	2,900	2,900	-	-	-	-
TOTALS	357,850	353,200	-4,650	52,200	65,250	+13,050

Inferred increase	13,050	tons
Indicated decrease	4,650	"
<u>1970/71 Ore Reserve increase</u>	<u>8,400</u>	<u>"</u>

7	46,800	43,750	+3,050	Increased tonnage due to extension exceeding extraction.
8	73,800	77,750	-3,950	Decreased tonnage due to extraction exceeding extension.
9	50,700	42,750	+7,950	Increased tonnage due to extension exceeding extraction.
10	10,500	10,800	- 300	Decreased tonnage due to extraction exceeding extension.
11	5,300	4,400	- 900	Decreased tonnage due to extraction exceeding extension.
12	2,900	2,900	-	Unchanged.
TOTALS	410,050	418,450	+8,400	

TABLE III

LEVEL BY LEVEL COMPARISON OF THE ORE RESERVES AS AT 1st JULY,
1970 AND 1st JULY, 1971.

LEVEL	1.7.70 TOTAL ORE TONS	1.7.71 TOTAL ORE TONS	DIFFERENCE ORE TONS	REMARKS
1	7,700	11,500	+3,800	Increased tonnage due to development of operating block above 1 level.
2	18,150	19,000	+ 850	Increased tonnage due to development, stope extensions and development of operating block above 2 level, exceeding extraction.
3	16,200	22,500	+6,300	Increased tonnage due to development and development of operating block above 3 level, exceeding extraction.
4	35,600	39,300	+3,700	Increased tonnage due to development and stope extensions, exceeding extraction.
5	69,800	69,800	-	Development, stope development and subsequent re-assessment balanced extraction.
6	72,600	74,500	+1,900	Increased tonnage due to development, stope extensions and development of operating blocks above 6 level, exceeding extraction.
7	46,800	43,700	-3,100	Decreased tonnage due to extraction exceeding development and stope extensions.
8	73,800	77,100	+3,300	Increased tonnage due to stope extensions and development of operating blocks above 8 level, exceeding extraction.
9	50,700	42,950	-7,750	Decreased tonnage due to extraction.
10	10,500	10,800	+ 300	Increased tonnage due to development and stope extensions, exceeding extraction.
11	5,300	4,400	- 900	Decreased tonnage due to extraction exceeding development.
12	2,900	2,900	-	Unchanged.
TOTALS	410,050	418,450	+8,400	