FINAL ENGINEERING REPORT

REGARDING THE

REVIEW OF A PREFEASIBILITY STUDY

FOR

URANERZ, USA INC.

AT THE

DAWSON PROJECT

March 25, 1991
Dynatec Mining Corporation
Suite 100
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Lakewood, Colorado 80228

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March 25, 1991

Uranerz, USA Inc.
445 Union Boulevard, Suite 230
Lakewood, Colorado 80228

Attention Mr. Paul Adamek

Subject: Review of Prefeasibility Study
Dawson Project
Dynatec Project #354

Dear Mr. Adamek:

Dynatec has completed a review of the prefeasibility study (February 1991) of the Dawson Project. The study has identified a reduction in costs (or equivalent revenue) on the order of $5.3 million. These savings are tabulated with a narrative description of each contributing activity in the text.

The prefeasibility study generated total mining costs of $75.21/ton, or $271.03 per ounce recovered (excluding monies for mill construction and the feasibility study). The Dynatec review identifies a total savings of $11.50/ton or $40.61 per ounce recovered. These costs include $3.30/ton ($11.65/oz recovered) for capital and $8.20/ton ($28.96/oz recovered) operating costs.

The net effect of the savings identified in the study is the reduction of mining costs to $63.71/ton mined or $230.42/oz recovered. This is approximately a 15% improvement in the mining costs, which translates directly to a $5.3 million improvement in the cumulative cash flow. More than 60% of the savings is associated with operating expenses; hence additional benefits will be realized with proving of additional reserves.

The attached report contains a section of recommendations to Uranerz for continued work on the Dawson Project. In this regard Dynatec has enclosed under separate cover a proposal for an alternate prefeasibility study. Dynatec certainly appreciates having had the opportunity of working with Uranerz, and we will remain available to answer any questions regarding the review.

Sincerely,

E. G. Kettner
Manager of Engineering

EGK/jb
Encls.

TABLE OF CONTENTS

1.0 INTRODUCTION

Dynatec Engineering Inc. was contracted by Uranerz, USA Inc. to review the prefeasibility study prepared by AMS in February 1991 on the Dawson Project. The scope of Dynatec's work was to identify alternative conceptual designs, mining methods, and design and costing criteria that could result in significant economic improvements to the project.

The quantification of these alternatives was a secondary objective, and the dollar values presented in this study should be viewed in a comparative sense to the prefeasibility study as opposed to absolute values.

The review process was performed by the following senior level engineers: E. G. Kettner, R. D. Purcell, and J. W. Harrower, with review by J. D. Marrington. The method of review was for each team member to read the study and note fatal flaws, concepts and specific criteria and/or costs that warranted further investigation. The collective information noted was then addressed in more detail, culminating in this report.

A site visit and visual inspection of drill core was outside this scope of work and not essential for the level of this review. The anticipated ground conditions and subsequent stability of rock in the stopes and development headings are based on conversations with Uranerz personnel and rock samples and drill hole logs made available to Dynatec.

A complete cash flow analysis (DCF-ROR) for the Dawson Project cannot be generated without a time related production and cost summary. Therefore, one must remain cognizant that all the dollar values and cash flows (ROI) in this study are not time related and no allowance is made for the discounted value of monies.

2.0

SUMMARY

This study shows a real potential exists to reduce expenditures by $4,442,000.00, increase revenues by $712,000, for a net increase in cumulative cash flow of $5,254,000.00. This results in a cumulative positive cash flow on the order of $9,000,000.00 over a total duration of approximately four years and increases the ROI nearly threefold to 27.3%. Although a production and cost schedule could not be generated within the scope of this review, the up-front capital expenditures by the Owner should be significantly reduced (delayed) with the revised concepts used in the review.

The critical modifications (alternative methods) to the original mining concepts used in arriving at the revised cash analysis are the following:

1) Drive the initial ramp at near zero grade to intersect the ore structure near the 6200 level, and optimize the ramp configuration on down the ore body to reduce capital expenditures.
2) Use truck haulage in the ramp with primary crushing at the mill.
3) Employ shrinkage and longhole stoping, eliminating all backfill.

These three items have the effect of reducing the capital costs by $1,028,000.00 and operating costs by $3,239,000.00, or a total reduction in expenditure of $4,267,000.00. Fourteen specific items addressed in the review are described in Section 5.0, with their financial effects on the project tabulated in Section 4.0.

3.0 CONCLUSIONS AND RECOMMENDATIONS

Dynatec is of the opinion that the prefeasibility study represents a worst case scenario in terms of cash flow and after-tax IRR. Dynatec does not know what directives were given to AMS in generating the basic mine plan nor exactly how the mineable reserves were calculated. However, it is apparent that the mine plan that forms the basis of the study is not the optimum design. The absence of a definitive construction and production schedule would indicate that the stope development and production mining were pro-rated and/or allocated for the entire mine life. This would be an acceptable practice for a prefeasibility study in most instances. However, the short duration of the project and relatively low tonnage of proven reserves make the project very sensitive to changes in either revenues or expenditures. This dictates that an optimized mine plan with definitive layout design is essential to accurately assess the viability of the property. Dynatec's review indicates that the project will be economically feasible and likely quite attractive if the basic concepts suggested in the review are engineered in greater depth.

Dynatec would recommend that another prefeasibility study be conducted. It would not be prudent, and probably is not possible, to modify the existing study to reflect modifications in the conceptual design. The new study should be conducted independent of and unbiased by the existing study, with the exception of the laboratory tests and mill data that have been accumulated to date. A site visit and inspection of drill core will be required in doing the new study. It is imperative that the individuals who do the study can determine with a high degree of confidence that open stoping is a safe and practical means of extracting the ore. Additionally, the mineable ore reserves, particularly higher up in the ore body or near the surface, should be scrutinized, as these could have a dramatic effect on the overall economics of the property.

4.0 SUMMARY OF POTENTIAL ADJUSTMENTS TO DAWSON PROJECT CASH FLOW ANALYSIS

	ITEM	DESCRIPTION OF ADJUSTMENTS	$
CAPITAL COSTS:			
1	Access Ramp	Delete 680' of Ramp @ $322/LF	$219,000
2	Exploration Drifts	Delete 1000' of Drift @ $275/LF	275,000
3	Sandfill Plant & Pipe	Delete	65,000
4	Conveyor/U/G Crusher Station	Delete	519,000
5	Indirects On Above	Delete 30 Days @ $7500/Day	225,000
	SUBTOTAL		$1,303,000
OPERATING COSTS:			
6	Stoping	Reduce $1/Tn Bolts, $0.50/Tn Mine, $500,000 of Raise	$1,095,000
7	Sandfilling	Delete	1,178,000
8	Slash Ramp/Conveyor Install.	Delete	116,000
9	Ore Pass to Crusher	Delete	120,000
10	Tons Dilution (Mine/Mill)	Delete 1867 tns @ $38	70,000
11	Indirects on Above	Delete 132 Days @ $5000/Day	660,000
	SUBTOTAL		$3,239,000
REVENUE INCREASE:			
12	Dilution Grade	Increase grade to .0353 oz/tn @ 90% recovery @ $400 AU	$712,000
	SUBTOTAL		$712,000

SUMMARY OF PROJECT TOTALS X103	REVENUE	CAPITAL COSTS	OPERATING COSTS	CASH FLOW	ROI
Original (Base Case) Cash Flow	$42,107	$17,314	$20,873	$3,920	10.3%
Revised (3/20/91) Cash Flow	42,819	16,011	17,634	9,174	27.3%
$	$ 712	$(1,303)	$(3,239)	$5,254	--
%	~~+17%~~ +17%	-7.5%	-15.5%	+ 34%	+17%

5.0 DESCRIPTION OF CRITICAL ITEMS REVIEWED

5.1 ACCESS RAMP

The portal has not been moved; however, the initial 2070 lineal feet of ramp is driven at +1.5% grade to intersect the ore structure near the 6200 level. The ramp is then continued at a steeper grade, on the order of -15%, in a series of switchbacks paralleling the vein. A minimum of 680 lineal feet of ramp is deleted from the total proposed in the prefeasibility study in accessing the same area. A large degree of flexibility in the ramp configuration is possible with truck haulage. This is not the case with a conveyor. The most significant effect this has is to allow the delay in completing the ramp to the bottom of the ore zone. The completion of the ramp would be concurrent with production mining, and a large portion of capital expenditure would become operating costs. Definition drilling and bulk sampling could commence in the second quarter following contractor mobilization. The ramp would be driven at final dimensions (12' x 15') to facilitate truck haulage. The ramp would provide convenience access to exploration and stope development and also allow for the installation of a relatively short bored raise to the surface for ventilation early on in the project. The deeper portions of the ventilation raise could be done in stages as required at a later date. The total dollar impact of revising the primary development scenario cannot be totally quantified without a more detailed study. However, the direct costs of $322/LF for 680 lineal feet is used in the review cash analysis.

5.2 EXPLORATION DRIFTS

The prefeasibility study includes an unspecified 3000 lineal feet of exploration drifting. This footage seems excessive, as a large portion of it can be driven after the feasibility study is completed, hence incorporating it with development drifting. The deletion of 1000 lineal feet of drift at a direct cost of $275/LF is justified and is included in the cash analysis.

5.3 SANDFILL PLANT AND PIPE

The Dynatec revised plan does not employ any backfill. A total of $65,000.00 used in the prefeasibility study has been deleted. This includes $15,000 for a cyclone and $50,000 for the plant and pipe.

5.4 CONVEYOR AND UNDERGROUND CRUSHER STATION

The entire conveyor and underground crusher installation has been deleted. The study contained $619,000 for this. $100,000 has been left in the study for an equivalent crusher installation on the surface, resulting in a deletion of $519,000.00.

5.5 INDIRECTS ON ITEMS #1 THROUGH #4

The only preceding item which is on the critical path of mine construction is #1, the access ramp. The 680 lineal feet deleted should result in approximately 30 days of activity, and 30 days of indirect costs at $7500/day have been deleted in the cash analysis.

5.6 STOPING

All four of the Dynatec engineers involved in this review are of the opinion that a backfill system of mining is not required. This opinion was arrived at based on the configuration of the ore and the geologic logs and calculated RQD's from the drill holes listed in Section 6.0 of this report.

The high angle dip and narrow portions of the ore are ideally suited for shrinkage stoping with the wider sections suitable for sublevel and/or a longholing method of stoping. The costs for these methods of stoping could not be generated within the scope of this study, but historically cut and fill mining is a relatively expensive method compared to shrinkage and longholing. Based on this, $0.50/ton has been deleted in the review from the direct stoping costs. Additionally, raises can be carried with the stopes for the most part, and $500,000 of production raises has been deleted. The bolting price of $1.69/ton is high for shrinkage and sublevel/longhole stoping, and $1.00/ton has been deleted. The productivity rates in the feasibility

study are reasonable; however Dynatec would recommend a four (4) crew rotation on a seven day schedule both to eliminate overtime costs and to allow for increased production.

5.7 SANDFILLING

This will not be required, and $1,178,000 of direct costs have been deleted.

5.8 SLASH RAMP AND INSTALL CONVEYOR

The ramp is driven at full size in the review scenario, and the conveyor installation is not required. Therefore, the entire activity at $56.00/LF has been deleted. The ramp costs used in the prefeasibility study are still valid in the review scenario.

5.9 ORE PASS TO CRUSHER

An ore pass or network of passes is not required with the elimination of the crusher and conveyor. The monies for this activity could not be identified in the prefeasibility study; however, $120,000 has been deleted to compensate for removal of the system.

5.10 TONS DILUTION

It appears that a tonnage factor of 12.0 was used in calculating dilution, and 12.4 for the ore calculations. This has been adjusted and results in a reduction in dilution tons of 1867 at a direct cost of $38.00/ton or $70,000.

5.11 INDIRECTS ON ITEMS #6 THROUGH #10

The only preceeding item on the critical path is Item #6, stoping. We have tentatively identified a 3 month period of overlapping indirects of stoping and primary development that is not necessary and have reduced the production schedule by 50 days. This comes to a total of 132 days of indirect costs at $5000/day, or $660,000, which has been deleted in the cash analysis.

5.12 DILUTION GRADE

A grade has been applied to the dilution tons mined based on the drill holes listed in Section 6.0 of this report. The average grade of dilution ore with one foot of both the hanging and footwall is 0.0353. This assumes a grade of 0.01 where logs state a grade of <0.02 oz/ton. A case could be made to use the higher grade of 0.0404 oz/ton for the 0.02 oz/ton case. This grade assignment is justified because of the gradational aspect of the ore delineation as opposed to a lithologic or structural contact.

The dilution grade adds $712,000 to the revenue of the project based on $400 gold with a 90% recovery.

5.13 PRODUCTION AND COST SCHEDULE

The mining scenario used in the review study will significantly alter the schedule in a positive sense. As previously stated, a schedule could not be generated in this review, as it is dependent on a definitive mine plant and production layout. However, Dynatec feels it can state with some certainty that the following will result from the new schedule:

- The mine life from time of contractor mobilization will be shortened based on the same reserves.
- Production would commence at an earlier point in the schedule.
- Capital expenditures would be reduced and delayed.
- Operating costs would be significantly reduced.
- The project's DCF-ROR would be significantly improved.

5.14 OTHER ITEMS OT NOTE

- The study states the ramp accesses the lower portion of the ore body to initially mine high grade areas. This is not reflected in the cash flow.

- Capital expenditures for the mill appear ~~very conservative~~ too low.

- The monies included for the sumps and pumping complex are low for a mine using hydraulic backfill and having 500 GPM of mine water inflows.

- The contractor's overhead (fee) is excessive for a project of this dimension.

- Assay costs of $20.00 are high for on-site services.

Graneriz quick summary of drillhole data noting intercepts and boundary grades. 19 March 1991

Hole No.	Collar Elev	Dip	Intercept Angle	App Thick	True Thick	Grade	Int Depth	Int Elev	HW Grade	FW Grade
63	7114	(48.50)	61.50	12.0	10.55	0.389	73	7,059	0.019	0.085
64	7114	(60.00)	50.00	9.0	6.89	1.087	76	7,048	0.068	0.033
65	7114	(67.50)	42.50			0				
66	7128	(60.80)	49.20			0				
67A	6601	(55.00)	55.00			0				
68	6556	(50.10)	59.90			0				
69	6556	(43.10)	66.90			0				
70	6848	(67.90)	42.10			0				
71A	6834	(58.00)	52.00	13.3	10.48	0.390	689	6,250	0.004	0.021
72	6851	(58.00)	52.00			0				
73	6851	(71.00)	39.00	3.0	1.89	0.383	933	5,969	0.040	0.045
74	6850	(48.00)	62.00			0				
75	6833	(61.00)	49.00			0				
76	6851	(65.00)	45.00	1.4	0.99	1.100	827	6,101	0.002	0.002
77	7148	(62.00)	48.00			0				
78	7148	??				0				
79	6995	(29.00)	81.00	5.0	4.94	3.103	313	6,843	0.002	0.034
	6995	(29.00)	81.00	3.0	2.96	0.225	399	6,802	0.002	0.044
80	6994	(33.00)	77.00			- 0				
81	6995	(56.00)	54.00	1.5	1.21	0.497	207	6,823	0.028	0.002
82	6995	(49.00)	61.00			0				
83	6994	(29.50)	80.50			0				
84	7001	(26.00)	84.00			0				
85	7138	(39.00)	51.00			0				
86	7138	(36.00)	74.00			0				
87	7138	(45.00)	65.00			0				
88	7138	(60.50)	49.50			0				
89	7129	(25.00)	85.00	3.0	2.99	0.566	220	7,036	0.013	0.010
90	7129	(56.00)	54.00			0				
91	7077	(29.50)	80.50	2.0	1.97	0.317	88	7,034	0.004	0.091
	7077	(29.50)	80.50	4.0	3.95	0.224	105	7,025	0.036	0.020
92	6763	(37.00)	73.00			0				
93	6763	(47.50)	62.50			0				
94	6762	(54.50)	55.50	1.8	1.48	0.142	498	6,357	0.002	0.031
95	6520	(54.00)	56.00			0				
96	6520	(33.50)	76.50			0				
97	6522	(24.00)	86.00			0				
98	6682	(60.00)	50.00	6.0	4.60	0.564	558	6,199	0.082	0.007
	6682	(60.00)	50.00	2.5	1.92	0.136	585	6,175	0.079	0.031
298	6765	(65.60)	44.40	10.0	7.00	1.250	710	6,118	0.050	0.040
	6765	(65.60)	44.40	35.0	24.49	3.511	765	6,068	0.060	0.050
28						0				
29						0				
29A						0				
27	6566	(64.00)	46.00	105.0	75.53	3.971	681	5,954	??	0.100
	6566	(64.00)	46.00	25.0	17.98	1.548	736	5,904	0.060	0.020
28-1						0				

Hole No.	Collar Elev	Dip	Intercept Angle	App Thick	True Thick	Grade	Int Depth	Int Elev	HW Grade	FW Grade	
28-2	6480	(50.19)	59.81	60.0	51.86	1.100	1,230	5,535	0.020	0.060	
	6480	(50.19)	59.81	10.0	8.64	1.495	1,265	5,508	0.020	0.090	
	6480	(50.19)	59.81	5.0	4.32	0.170	1,290	5,489	0.020	0.020	
26	6687	(49.45)	60.55	25.0	21.77	0.278	527	6,287	0.020	0.020	
30	6955	(63.00)	47.00			0					
31	6986	(63.00)	47.00	6.0	4.39	0.465	177	6,828	0.030	0.090	
	6986	(63.00)	47.00	3.0	2.19	4.100	189	6,818	0.020	0.020	
	6986	(63.00)	47.00	3.0	2.19	0.150	201	6,807	0.020	0.070	
	6986	(63.00)	47.00	6.0	4.39	0.160	225	6,786	0.020	0.090	
32	6621	(49.80)	60.20	15.0	13.02	0.336	946	5,898	0.020	0.040	
	6621	(49.80)	60.20	15.0	13.02	0.378	967	5,882	0.030	0.020	
	6621	(49.80)	60.20	3.0	2.60	0.150	1,045	5,823	0.020	0.100	
	6621	(49.80)	60.20	21.0	18.22	1.000	1,072	5,802	0.020	0.020	
	6621	(49.80)	60.20	3.0	2.60	0.850	1,087	5,791	0.080	0.120	
33	6959	(68.00)	42.00	6.0	4.01	1.865	454	6,538	??	0.020	
	6959	(68.00)	42.00	3.0	2.01	0.160	463	6,530	0.020	0.020	
	6959	(68.00)	42.00	3.0	2.01	0.180	472	6,521	0.020	0.020	
34	6988	(63.95)	46.05			0					
35	6619	(52.90)	57.10	3.0	2.52	0.160	1,069	5,766	??	0.120	
	6619	(52.90)	57.10	1.3	1.09	0.310	1,132	5,716	??	??	
36	6960	(67.00)	43.00			0					
37	7077			93.0		1.830	143		??	0.090	
	7077			18.0		0.540	165		0.080	0.050	
	7077			18.0		5.790	215		??	??	
	7077			12.0		0.490	250		0.020	??	
	7077			12.0		0.460	289		??	??	
38	6958	(64.00)	46.00			0					
38B	6958	(66.21)	43.79	3.0	2.08	0.190	412	6,581	0.020	0.030	
39	??	(64.00)	46.00	15.0	10.79	0.470	80		0.080	0.050	
	??	(64.00)	46.00	9.0	6.47	0.510	98		0.040	0.070	
	??	(64.00)	46.00	27.0	19.42	1.190	132		0.050	0.070	
	??	(64.00)	46.00	3.0	2.16	0.190	194		0.040	0.030	
	??	(64.00)	46.00	12.0	8.63	0.590	224		0.030	0.060	
	??	(64.00)	46.00	12.0	8.63	2.990	254		0.110	0.080	
	??	(64.00)	46.00	3.0	2.16	0.160	266		0.050	??	
40	??			18.0		0.550	811		0.017	0.007	
41	??	(67.50)	42.50	3.0	2.03	1.020	165		0.040	0.020	
	??	(67.50)	42.50	9.0	6.08	0.220	180		0.060	0.020	
	??	(67.50)	42.50	7.0	4.73	0.240	237		??	0.020	
42	6585	(65.00)	45.00	11.5	8.13	0.630	703	5,928	0.020	0.020	
	6585	(65.00)	45.00	12.0	8.49	3.320	721	5,912	0.020	0.020	
	6585	(65.00)	45.00	25.9	18.31	1.654	824	5,818	0.030	0.020	
43	6629	(55.70)	54.30	51.0	41.42	1.352	819	5,952	0.020	0.080	
	6629	(55.70)	54.30	12.0	9.74	1.690	842	5,933	0.090	0.030	
	6629	(55.70)	54.30	7.5	6.09	0.457	863	5,916	0.020	0.030	
44	6599	(59.20)	50.80	9.4	7.28	0.242	766	5,941	0.120	0.030	
	6599	(59.20)	50.80	45.0	34.87	19.010	829	5,887	0.040	0.020	1 assay of 229.0 !!
45	6566	(71.50)	38.50	3.0	1.87	0.160	719	5,884	0.020	0.020	
46	6629	(65.70)	44.30	8.3	5.80	0.583	842	5,862	0.020	0.030	
	6629	(65.70)	44.30	12.0	8.38	0.780	866	5,840	0.090	0.120	
	6629	(65.70)	44.30	12.0	8.38	0.300	887	5,821	0.080	0.020	
	6629	(65.70)	44.30	3.0	2.10	0.410	911	5,799	0.020	0.020	
47	6622	(65.70)	44.30	4.1	2.86	0.150	1,155	5,569	0.020	0.030	
48	6504	(58.60)	51.40	6.0	4.69	0.625	226	6,311	0.020	??	
	6504	(58.60)	51.40	33.7	26.34	1.056	295	6,252	0.020	0.020	
	6504	(58.60)	51.40	2.2	1.72	0.530	305	6,244	0.020	0.020	

Hole No.	Collar Elev	Dip	Intercept Angle	App Thick	True Thick	Grade	Int Depth	Int Elev	HW Grade	FW Grade	
49	6657	(68.00)	42.00	17.5	11.71	0.222	1,015	5,716	0.020	0.050	
	6657	(68.00)	42.00	30.0	20.07	3.666	1,051	5,683	0.030	0.060	1 assay 25.65
	6657	(68.00)	42.00	27.0	18.07	0.634	1,093	5,644	0.020	0.120	
50	7244	(51.40)	58.60			0					
51	6680	(62.40)	47.60	3.0	2.22	2.400	1,161	5,651	0.020	0.020	
	6680	(62.40)	47.60	1.9	1.40	6.030	1,202	5,615	0.050	0.020	
	6680	(62.40)	47.60	3.0	2.22	0.330	1,261	5,562	0.120	0.050	
	6680	(62.40)	47.60	3.0	2.22	0.380	1,309	5,520	0.020	0.030	
	6680	(62.40)	47.60	9.0	6.65	14.120	1,324	5,507	0.020	0.090	
	6680	(62.40)	47.60	3.0	2.22	4.160	1,333	5,499	0.020	0.030	
	6680	(62.40)	47.60	2.0	1.48	1.290	1,345	5,488	0.060	0.120	
	6680	(62.40)	47.60	7.0	5.17	0.235	1,363	5,472	0.030	0.020	
52	7177	(43.40)	66.60	7.0	6.42	0.390	640	6,737	0.050	0.020	
	7177	(43.40)	66.60	9.0	8.26	0.277	652	6,729	0.020	0.020	
	7177	(43.40)	66.60	3.0	2.75	0.770	671	6,716	0.050	0.020	
	7177	(43.40)	66.60	3.0	2.75	0.470	750	6,662	0.020	0.020	
	7177	(43.40)	66.60	3.0	2.75	0.150	756	6,658	0.020	0.060	
	7177	(43.40)	66.60	3.5	3.21	0.620	778	6,642	0.090	0.050	
53	6716	(61.30)	48.70	3.0	2.25	1.310	954	5,879	0.020	0.020	
	6716	(61.30)	48.70	3.0	2.25	0.840	990	5,848	0.110	0.020	
	6716	(61.30)	48.70	3.0	2.25	0.540	1,013	5,827	0.020	0.020	
54	6722	(74.30)	35.70	3.0	1.75	0.230	1,453	5,323	0.020	0.020	
	6722	(74.30)	35.70	2.5	1.46	0.170	1,594	5,187	0.020	0.120	
	6722	(74.30)	35.70	24.0	14.00	1.159	1,629	5,154	0.020	0.020	
	6722	(74.30)	35.70	9.0	5.25	1.397	1,644	5,139	0.020	0.140	
	6722	(74.30)	35.70	2.6	1.52	0.680	1,656	5,128	0.030	0.020	
55	7177	(53.00)	57.00	6.0	5.03	1.895	771	6,561	0.140	0.080	
	7177	(53.00)	57.00	3.5	2.94	0.230	795	6,542	??	??	
56	??	(71.50)	38.50			0					
56A	??	(73.50)	36.50	3.0	1.78	0.200	1,216		0.020	0.020	
57	6721	(56.00)	54.00			0					
57A	6721	(54.60)	55.40	32.8	27.00	1.669	1,126	5,803	0.060	0.020	
	6721	(54.60)	55.40	27.0	22.22	0.636	1,167	5,770	0.020	0.020	includes a .14 at FW

Notes:

1. Assays used are AA where provided.
2. True width assumes straight hole.
3. 0.15 cutoff used in most places. Occasionally .14's included in zone.
4. depth of hole is to bottom of intercept listed.
5. Grade of 0.02 for boundary usually means less than 0.02 opt
6. Intercept angle assumes a 70 degree dip to the orezone.
7. All holes are assumed to be drilled from hanging to footwall.

Dilution Grade:

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Most .02 grades are not real. Following is an indication of the effects of assigning an alternate more realisitic grade:

Actual grade of 0.02:	0.02	0.01	0.00
a. Hanging Wall:	0.0372	0.0316	0.0260
b. Footwall:	0.0436	0.0390	0.0343