

GEOPEKO LIMITED

THE ORE RESERVES OF
IVANNOV MINE

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I N D E X

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INTRODUCTION

This report incorporates the results of recent drilling from the 1130' level and a calculation of the ore reserves remaining in the body.

CONCLUSIONS

1. The bottom of the Ivanhoe orebody is clearly in sight and appears to be at or just above the 1330' horizon.
2. The remaining ore reserves stand at 193,600 tons at 4.62% Cu and 1.15 dwts/ton Au. There is 95% chance that the grade will not be less than 3.65% Cu and 0.87 dwts/ton Au.
3. The mineralized structure is still persisting in the deepest intersection to date.

RECOMMENDATIONS

1. Deep drilling and lateral exploration should continue to locate any further bodies of ore which may lie within reach of the present mine openings.

DISCUSSION

From the results of recent drilling it appears that the bottom of the Ivanhoe orebody is clearly in sight. The accompanying longitudinal section shows the present state of affairs quite clearly.

In long section it is seen that the bottom is quite bulbous. In cross section, however, the bottom is marked by a marked reduction in width from around 5' to 1'. Thin 1' wide stringers persist in depth below the centre of the body at least for a further 100' in depth. This marked reduction in width occurs as far as can be determined at present at about the 1300' horizon.

At present drilling is proceeding from the shaft at about the 1300' horizon to help determine the actual position of the bottom to help accurately position the bottom level.

Deep drilling is in progress from the 1150' level. To date two holes have been completed to targets below the 1400' horizon.

Hole 1130/5 intersected chloritic pediments with a little magnetite dispersed throughout. No significant values were noted in the rock. This intersection was at the 1450' horizon and almost directly opposite the shaft. Hole 1130/6 intersected further to the east (R.L. 1415 and at 1335 E). This indicated stronger mineralization exists to the east of the shaft as massive quartz magnetite with some chalcopyrite. It is noted that the first 5' of this intersection carried relatively high gold values; 6.1 dwts/ton Au as well as 2.3% Cu.

These two holes tend to indicate that the bottom of the present body has been reached and only needs a small amount of definition, the exception being at the eastern end. It is not known whether another body of ore exists below the present one. It appears that the structure in which the body is localized is persisting downwards. The further ore potential of this structure is unknown and hence should be adequately tested to ensure that no further substantial bodies exist within reach of the present mine openings. The present programme of drill holes from the 1150' level is designed to test the structure to below the 1700' horizon.

TABLE A

Stope	Block	Tons	% Cu			Grts/ton Au		
			Upper Con. limit	Mean	Lower con. limit	Upper con. limit	Mean	Lower con. limit
560 E	above 300L	1,000	5.98	4.20	3.07	22.4	14.1	9.5
560E	Central Rise Block	750	-	4.12	-	-	5.6	-
560 W	390 - 429	5,000	5.76	4.85	4.06	12.3	7.4	4.8
	429 - 468	4,000	4.34	4.12	0.48	10.1	5.6	3.4
730	560 Pillar	5,250	5.32	4.64	4.02	6.0	4.7	3.7
970	730 - 750	5,500	3.33	2.88	2.48	2.5	1.9	1.5
	750 - Stope Backs	22,300	4.39	3.97	3.58	2.0	1.6	1.3
1130	930 - 950	2,900	3.81	3.39	3.07	1.2	1.0	0.9
	950 - 1130	77,000	5.86	4.84	4.01	1.2	0.55	0.45
1330(?)	Below 1130 L	69,900	5.13	5.11	3.54	0.84	0.40	0.35
Total		193,600	5.27	4.62	3.65	1.82	1.15	0.87

Addendum:

Indicated ore from 1130/6 intersection = 7,000 tons at 2.8% Cu
and 6.1 grts/ton Au.

TABLE B

Stope	Blocks	Tons	% Cu			dwts/ton Au		
			Upper con. Limit	Mean	Lower con. Limit	Upper con. Limit	Mean	Lower con. Limit
1130	A	4,400	3.81	3.39	3.07	1.2	1.0	0.9
	B	3,450	-	5.70	-	-	1.2	-
	C	5,000	-	2.4	-	-	0.3	-
	D	27,800	4.68	3.75	3.22	0.65	0.54	0.45
	E	14,800	7.59	6.31	5.46	0.77	0.61	0.51
	F	16,300	5.26	4.78	4.43	0.64	0.51	0.42
	N	4,100	5.34	4.21	3.58	0.52	0.4	0.34
	O	4,100	11.58	5.04	3.48	0.2	0.8	0.34
Total		79,900	5.79	4.50	3.96	1.19	0.57	0.47

TABLE C

Stope	Blocks	Tons	% Cu			dwts/ton Au		
			Upper con. Limit	Mean	Lower con. Limit	Upper con. Limit	Mean	Lower con. Limit
1330	G	13,000	7.59	6.31	5.46	0.60	0.32	0.44
	H	28,600	4.66	4.22	3.77	0.69	0.53	0.44
	I	12,500	10.63	6.36	7.15	0.20	0.17	0.15
	J	3,500	-	2.4	-	-	0.1	-
	K	1,900	-	2.1	-	0.3	0.4	0.38
	L	6,500	7.93	4.23	3.21	0.83	0.31	0.20
	M	3,900	-	2.6	-	-	0.2	-
Total		69,900	5.13	5.11	3.54	0.54	0.4	0.33