

6000-8-2
FILE COPY

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FACSIMILE TRANSMISSION COVER SHEETDATE: March 30, 1989TO: Jim Currie

FAX #: _____

FROM: David HembreeNO. OF PAGES: 4 including cover sheet.

COMMENTS: Billiton Argus grade modelling summaries and reserve
summary using presort #5/3 150' by 150' by 20' search ellipsoid, inverse
distance squared method. East pit yields 422,000 tons at 0.066, 3.43:1
strip ratio. J. Shaeffer said additional tons and increased grade could
be mined from east pit at about 5:1 ratio, 0.07+ ± 500,000 tons by extending
pit to west to pick up deep high grade near AR-20. West pit was considerably
smaller tonnage and grade than ours but only one pass was done on model
of this area.

FAX OPERATOR: _____

If you do not receive all of the pages or if they are not legible, please contact the operator as soon as possible.

Micromodel/Argus

| | A | B | C | D | E | F | G | H | I | J | K | L |
|----|--|----------|---------|------------------------|---------|----------|---------|----------|---------|----------|---------|-------|
| 1 | Pincock Allan & Holt Inc. - Micromodel Ver 3.03 | | | | | | | | | | | |
| 2 | PROJECT TITLE: ARGUS PROJECT | | | | | | | | | | | |
| 3 | | | | | | | | | | | | |
| 4 | SUMMARY RESERVE STATEMENT - BY LEVEL AND ROCK TYPE | | | | | | | | | | | |
| 5 | EAST PIT COMBINED LEVELS | | | | | | | | | | | |
| 6 | SUM OF ALL ROCK TYPES | | | | | | | | | | | |
| 7 | | | | | | | | | | | | |
| 8 | NOTE: Au opt was used as the basis for classifying reserves by cutoff grade. | | | | | | | | | | | |
| 9 | All volumes and tonnages are in thousands. | | | | | | | | | | | |
| 10 | | | | | | | | | | | | |
| 11 | ORE (> = .020 CUTOFF) | | | LOWGRADE (.015 - .019) | | | WASTE | | | TOTAL | | |
| 12 | BENCH | VOLUME | TONNAGE | VOLUME | TONNAGE | VOLUME | TONNAGE | VOLUME | TONNAGE | VOLUME | TONNAGE | STRIP |
| 13 | LEVEL | CU YARDS | TONS | CU YARDS | TONS | CU YARDS | TONS | CU YARDS | TONS | CU YARDS | TONS | RATIO |
| 14 | | | | | | | | | | | | |
| 15 | 4280 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 99.99 |
| 16 | 4260 | 0 | 0 | 0 | 0 | 2 | 5 | 2 | 5 | 2 | 5 | 99.99 |
| 17 | 4240 | 0 | 0 | 0 | 0 | 8 | 18 | 8 | 18 | 8 | 18 | 99.99 |
| 18 | 4220 | 0 | 0 | 0 | 0 | 18 | 40 | 18 | 40 | 18 | 40 | 99.99 |
| 19 | 4200 | 0 | 0 | 0 | 0 | 29 | 65 | 29 | 65 | 29 | 65 | 99.99 |
| 20 | 4180 | 0 | 0 | 0 | 0 | 40 | 91 | 40 | 91 | 40 | 91 | 99.99 |
| 21 | 4160 | 2 | 4 | 4 | 0 | 49 | 109 | 51 | 114 | 51 | 114 | 26.63 |
| 22 | 4140 | 5 | 11 | 11 | 0 | 55 | 124 | 60 | 135 | 60 | 135 | 11.89 |
| 23 | 4120 | 9 | 20 | 20 | 1 | 64 | 143 | 73 | 165 | 73 | 165 | 7.36 |
| 24 | 4100 | 12 | 28 | 28 | 1 | 71 | 161 | 85 | 192 | 85 | 192 | 3.86 |
| 25 | 4080 | 23 | 52 | 52 | 1 | 71 | 159 | 95 | 213 | 95 | 213 | 3.13 |
| 26 | 4060 | 25 | 56 | 56 | 2 | 69 | 255 | 95 | 215 | 95 | 215 | 3.83 |
| 27 | 4040 | 27 | 61 | 61 | 2 | 57 | 129 | 86 | 195 | 86 | 195 | 3.17 |
| 28 | 4020 | 26 | 58 | 58 | 2 | 46 | 103 | 74 | 166 | 74 | 166 | 1.84 |
| 29 | 4000 | 23 | 51 | 51 | 2 | 31 | 69 | 55 | 125 | 55 | 125 | 1.43 |
| 30 | 3980 | 21 | 48 | 48 | 1 | 15 | 34 | 38 | 85 | 38 | 85 | 0.75 |
| 31 | 3960 | 14 | 32 | 32 | 0 | 5 | 11 | 20 | 44 | 20 | 44 | 0.36 |
| 32 | | | | | | | | | | | | |
| 33 | TOTAL | 188 | 422 | 0.066 | 13 | 30 | 0.018 | 630 | 1417 | 831 | 1869 | 3.43 |

MicroMODEL 2/ARGUS

MicroMO

| | A | B | C | D | E | F | G | H | I | J | K | L | | |
|----|---|-----------------|--------------|--------|------------------------|--------------|--------|-----------------|--------------|-----------------|--------------|-------------|-------|--|
| | ORE (.020) | | | | LOWGRADE (.015 - .019) | | | | WASTE | | | | TOTAL | |
| | BENCH LEVEL | VOLUME CU YARDS | TONNAGE TONS | Au opt | VOLUME CU YARDS | TONNAGE TONS | Au opt | VOLUME CU YARDS | TONNAGE TONS | VOLUME CU YARDS | TONNAGE TONS | STRIP RATIO | | |
| 1 | Pincock Allen & Holt Inc. - MicroMODEL VER 3.03 | | | | | | | | | | | | | |
| 2 | PROJECT TITLE: ARGUS PROJECT | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | |
| 4 | SUMMARY RESERVE STATEMENT - BY LEVEL AND ROCK TYPE | | | | | | | | | | | | | |
| 5 | WEST PIT COMBINED LEVELS | | | | | | | | | | | | | |
| 6 | SUM OF ALL ROCK TYPES | | | | | | | | | | | | | |
| 7 | | | | | | | | | | | | | | |
| 8 | NOTE: Au opt was used as the basis for classifying reserve by cutoff grade. | | | | | | | | | | | | | |
| 9 | All volumes and tonnage are in thousands. | | | | | | | | | | | | | |
| 10 | | | | | | | | | | | | | | |
| 11 | | | | | | | | | | | | | | |
| 12 | BENCH LEVEL | VOLUME CU YARDS | TONNAGE TONS | Au opt | VOLUME CU YARDS | TONNAGE TONS | Au opt | VOLUME CU YARDS | TONNAGE TONS | VOLUME CU YARDS | TONNAGE TONS | STRIP RATIO | | |
| 13 | | | | | | | | | | | | | | |
| 14 | | 4380 | 2 | 4 | 0 | 1 | 0.017 | 4 | 9 | 6 | 13 | 2.23 | | |
| 15 | | 4360 | 10 | 22 | 1 | 3 | 0.018 | 27 | 49 | 33 | 74 | 2.32 | | |
| 16 | | 4340 | 17 | 38 | 3 | 6 | 0.017 | 24 | 55 | 44 | 99 | 1.62 | | |
| 17 | | 4320 | 13 | 30 | 3 | 6 | 0.017 | 25 | 56 | 41 | 92 | 2.07 | | |
| 18 | | 4300 | 11 | 25 | 5 | 11 | 0.017 | 19 | 44 | 35 | 80 | 2.18 | | |
| 19 | | 4280 | 11 | 24 | 5 | 10 | 0.018 | 14 | 32 | 29 | 66 | 1.74 | | |
| 20 | | 4260 | 11 | 25 | 4 | 9 | 0.018 | 15 | 33 | 30 | 67 | 1.65 | | |
| 21 | | 4240 | 7 | 15 | 3 | 7 | 0.017 | 12 | 26 | 22 | 48 | 2.22 | | |
| 22 | | 4220 | 8 | 19 | 3 | 6 | 0.017 | 13 | 29 | 24 | 54 | 1.91 | | |
| 23 | | 4200 | 6 | 14 | 2 | 5 | 0.018 | 11 | 25 | 19 | 44 | 2.21 | | |
| 24 | | 4180 | 8 | 18 | 2 | 5 | 0.018 | 8 | 29 | 18 | 41 | 1.34 | | |
| 25 | | 4160 | 7 | 17 | 2 | 5 | 0.018 | 4 | 9 | 24 | 31 | 0.88 | | |
| 26 | | 4140 | 5 | 12 | 1 | 2 | 0.017 | 1 | 3 | 7 | 17 | 0.43 | | |
| 27 | | | | | | | | | | | | | | |
| 28 | TOTAL | 116 | 261 | 0.032 | 34 | 76 | 0.017 | 172 | 388 | 322 | 725 | 1.78 | | |