

Ann. loan

	11%	11 1/2%	12%
4 yrs =	1.5181	(1.5458)	1.5735
5 yrs =	1.6851	(1.7237)	1.7623

0.1779 over 12 months  
on 15% (100%)

800173

1779 x .02 =  
100

.42 = 0.0747 ←  
4.00 = 1.5458  
4.42 = 1.6205

2M x ~~1.6482~~ = ~~3,296,400~~ 3,241,036  
1.6205 ~ 2,000,000  
~~1,296,400~~ 1,241,036

loan

	11%	(11 1/2%)	12%
3 yrs	1.3676	(1.3863)	1.4049
4 yrs	1.5181	(1.5458)	1.5735

0.1595 over 12 months.

.58 = .0925  
3.00 = 1.3863

2,632,500  
~~2.21~~  
~~1.47M~~ x 1.4788 = ~~2,175,850~~  
less ~~2,210,000~~ 2632500  
Interest = ~~203,830~~  
~~4,228,148~~ 1,260,440

Yada, Tompkins, Humphries, Palmer & Co.  
Chartered Accountants

301-1008 Homer Street, Vancouver, B.C. V6B 2X1  
(604) 669-4242

Ann. Charge = <sup>1956</sup> June July Aug Sep Oct Nov Dec  
= 7 months in 1986  
plus 12 " " 1987  
" 12 " " 1988  
" 12 " " 1989  
" 10 " " 1990  
53 months (4.42 yrs)

Loan = 1987  
Apr. May June July, Aug Sep Oct Nov Dec  
= 9 months in 1987  
plus 12 " " in 1988  
" 12 " " 1989  
" 10 " " 1990  
43 months (3.58 yrs)

Ann. Oblig = 2M x 4.42 yrs x 11 1/2%  
= 2M x .1  
Interest = 200,000  
Loan = 1.47M x 3.58 x 11 1/2%  
= 1.47M x 1.4788  
Interest = \$703,836

Celebrating our 10th Anniversary 1975 - 1985

after gate 24

Did 4 or 500 yds of  
measured samples.  
Some on genus old stockpile

① What happened between assessment date (mid-Aug)  
and Oct 1st to our plant?

② Did you do <sup>Very little - low grade.</sup> any  
pay dirt stockpile in June 56, 975 yds?  
perhaps up 588 - (inbound)

③ How much did you pay for moving  
of pay dirt 200 (850) 2.00

④ Did old plant <sup>mechanical @ beginning of Oct.</sup>  
operate from 2<sup>nd</sup> week in  
June until Oct 26<sup>th</sup>?

⑤ <sup>not sure</sup> 460 U.S.

⑥ <sup>wanted this year</sup> 766 ounces (40% goes to Hallman's  
16% to vent holder.

⑦ Any idea of <sup>820</sup> 820

⑧ Is 1915 oz Au - Camp weights on Regusa

⑨ What is length of tunnel 30' - sluice boxes? <sup>16' sluice  
5' trap</sup>

⑩ ~~Why difference in production figures?~~ No pay dirt  
figures after Oct 12<sup>th</sup>?

Propose on ball  
release movement  
highest by itself as well

2.5 strip ratio

Contractor est 160,000 yd  
can be deferred to 1988.

Propose - dual trowel - 500 yds/hr.  
to come in  
(Canadian) - 350 yds. capability

350,000 Con.  
buggie into gizzly - 6" x 8" - dual gate to  
long feeder chute into tunnel  
spray bar @ entrance to tunnel  
long header out of tunnel - will  
put in line bottom - spray bars at  
all splits. - jigs will be  
retained

60¢-65¢/yd to move earth



1888  
89  
90  
91

# LOAN

422,500 - settlement funds.

2,732,500.  $\approx$  includes  $\nearrow$  haari.

$$\begin{array}{r} 2732500 \\ \underline{422500} \\ 2310000 \end{array} = 7502.6 = \cancel{6583.45} \text{ ounces.}$$

$$2,210,000 = \cancel{6298.5} \text{ ounces.}$$



800.0

5700

~~12798.5~~

12620

14002.6

Due @ end of 4<sup>th</sup> year

Unit holder = 105

Hellam = 1383

4 years -

2,210,000 @

7502.6

5700

800

14002.6

552.10

8

00

2,823,285

2,501,477

5,766

MISTRAL RESOURCES LTD OTTER CREEK MINE

STRIPPING COMPLETED MAY 1987 TO SEPTEMBER 1987

REF	DATE	INV *	CODE	DESCRIPTION	CU YDS	PRICE	TOTAL
1	May:16:87	206	1000	STRIPPING	1900	\$2:00	\$3,800.00
2	May:17:87	207	1000	STRIPPING	2000	\$2:00	\$4,000.00
3	May:18:87	363	1000	STRIPPING	2000	\$2.00	\$4,000.00
4	May:18:87	363	1000	STRIPPING	2000	\$2.00	\$4,000.00
5	May:18:87	363	1000	STRIPPING	2000	\$2.00	\$4,000.00
6	May:19:87	203	1000	STRIPPING	2000	\$2.00	\$4,000.00
7	May:20:87	201	1000	STRIPPING	1600	\$2.00	\$3,200.00
8	May:20:87	202	1000	STRIPPING	1400	\$2.00	\$2,800.00
9	May:21:87	210	1000	STRIPPING	2000	\$2.00	\$4,000.00
10	May:21:87	209	1000	STRIPPING	1840	\$2.00	\$3,680.00
11	May:22:87	214	1000	STRIPPING	5960	\$2.00	\$11,920.00
12	May:23:87	212	1000	STRIPPING	1000	\$2.00	\$2,000.00
13	May:23:87	215	1000	STRIPPING	6140	\$2.00	\$12,280.00
14	May:25:87	216	1000	STRIPPING	5000	\$2.00	\$10,000.00
15	May:26:87	217	1000	STRIPPING	4440	\$2.00	\$8,880.00
16	May:27:87	218	1000	STRIPPING	5060	\$2.00	\$10,120.00
17	May:28:87	219	1000	STRIPPING	620	\$2.00	\$1,240.00
18	Jun:1:87	223	1000	STRIPPING	3840	\$2.00	\$7,680.00
19	Jun:2:87	353	1000	STRIPPING	5840	\$2.00	\$11,680.00
20	Jun:3:87	355	1000	STRIPPING	5440	\$2.00	\$10,880.00
21	Jun:4:87	225	1000	STRIPPING	7040	\$2.00	\$14,080.00
22	Jun:5:87	478	1000	STRIPPING	4120	\$2.00	\$8,240.00
23	Jun:6:87	357	1000	STRIPPING	5480	\$2.00	\$10,960.00
24	Jun:8:87	360	1000	STRIPPING	6480	\$2.00	\$12,960.00
25	Jun:9:87	364	1000	STRIPPING	5680	\$2.00	\$11,360.00
26	Jun:10:87	481	1000	STRIPPING	2560	\$2.00	\$5,120.00
27	Jun:11:87	367	1000	STRIPPING	3200	\$2.00	\$6,400.00
102	Jun:12:87	370	1000	STRIPPING	5800	\$2.00	\$11,600.00
105	Jun:13:87	375	1000	STRIPPING	3660	\$2.00	\$7,320.00
107	Jun:15:87	484	1000	STRIPPING	5640	\$2.00	\$11,280.00
109	Jun:16:87	486	1000	STRIPPING	6680	\$2.00	\$13,360.00
111	Jun:17:87	488	1000	STRIPPING	7400	\$2.00	\$14,800.00
112	Jun:18:87	491	1000	STRIPPING	6960	\$2.00	\$13,920.00
113	Jun:19:87	490	1000	STRIPPING	6640	\$2.00	\$13,280.00
114	Jun:20:87	495	1000	STRIPPING	5840	\$2.00	\$11,680.00
115	Jun:23:87	498	1000	STRIPPING	6540	\$2.00	\$13,080.00
116	Jun:23:87	499	1000	STRIPPING	6120	\$2.00	\$12,240.00
117	Jun:24:87	302	1000	STRIPPING	7060	\$2.00	\$14,120.00
118	Jun:24:87	306	1000	STRIPPING	4980	\$2.00	\$9,960.00
119	Jun:25:87	307	1000	STRIPPING	5020	\$2.00	\$10,040.00
120	Jun:25:87	309	1000	STRIPPING	6260	\$2.00	\$12,520.00
121	Jun:26:87	310	1000	STRIPPING	6140	\$2.00	\$12,280.00
122	Jun:28:87	311	1000	STRIPPING	4340	\$2.00	\$8,680.00
123	Jun:29:87	313	1000	STRIPPING	6080	\$2.00	\$12,160.00

**MISTRAL RESOURCES LTD OTTER CREEK MINE**  
**STRIPPING COMPLETED MAY 1987 TO SEPTEMBER 1987**

REF	DATE	INV #	CODE	DESCRIPTION	CU YDS	PRICE	TOTAL
124	Jun:30:87	315	1000	STRIPPING	6340	\$2.00	\$12,680.00
125	Jul:1:87	317	1000	STRIPPING	5940	\$2.00	\$11,880.00
126	Jul:2:87	320	1000	STRIPPING	5740	\$2.00	\$11,480.00
127	Jul:3:87	321	1000	STRIPPING	6360	\$2.00	\$12,720.00
128	Jul:4:87	322	1000	STRIPPING	3940	\$2.00	\$7,880.00
129	Jul:6:87	323	1000	STRIPPING	6040	\$2.00	\$12,080.00
130	Jul:7:87	325	1000	STRIPPING	5840	\$2.00	\$11,680.00
131	Jul:8:87	426	1000	STRIPPING	5180	\$2.00	\$10,360.00
132	Jul:9:87	427	1000	STRIPPING	6480	\$2.00	\$12,960.00
133	Jul:10:87	429	1000	STRIPPING	6320	\$2.00	\$12,640.00
134	Jul:11:87	434	1000	STRIPPING	2700	\$2.00	\$5,400.00
135	Jul:13:87	435	1000	STRIPPING	4640	\$2.00	\$9,280.00
136	Jul:14:87	436	1000	STRIPPING	5160	\$2.00	\$10,320.00
137	Jul:15:87	438	1000	STRIPPING	5360	\$2.00	\$10,720.00
138	Jul:16:87	440	1000	STRIPPING	4560	\$2.00	\$9,120.00
139	Jul:17:87	442	1000	STRIPPING	4680	\$2.00	\$9,360.00
140	Jul:18:87	444	1000	STRIPPING	6460	\$2.00	\$12,920.00
141	Jul:20:87	445	1000	STRIPPING	5480	\$2.00	\$10,960.00
142	Jul:21:87	447	1000	STRIPPING	5080	\$2.00	\$10,160.00
143	Jul:22:87	449	1000	STRIPPING	6380	\$2.00	\$12,760.00
144	Jul:23:87	401	1000	STRIPPING	6960	\$2.00	\$13,920.00
145	Jul:24:87	403	1000	STRIPPING	5340	\$2.00	\$10,680.00
146	Jul:25:87	405	1000	STRIPPING	4480	\$2.00	\$8,960.00
147	Jul:27:87	407	1000	STRIPPING	4920	\$2.00	\$9,840.00
148	Jul:28:87	409	1000	STRIPPING	6020	\$2.00	\$12,040.00
149	Jul:29:87	411	1000	STRIPPING	3980	\$2.00	\$7,960.00
150	Jul:30:87	413	1000	STRIPPING	5420	\$2.00	\$10,840.00
151	Jul:31:87	416	1000	STRIPPING	5980	\$2.00	\$11,960.00
152	Aug:1:87	417	1000	STRIPPING	6060	\$2.00	\$12,120.00
153	Aug:4:87	421	1000	STRIPPING	4560	\$2.00	\$9,120.00
154	Aug:5:87	423	1000	STRIPPING	4960	\$2.00	\$9,920.00
155	Aug:6:87	251	1000	STRIPPING	4360	\$2.00	\$8,720.00
156	Aug:7:87	253	1000	STRIPPING	3120	\$2.00	\$6,240.00
157	Aug:13:87	266	1000	STRIPPING	600	\$2.00	\$1,200.00
158	Aug:13:87	269	1000	STRIPPING	300	\$2.00	\$600.00
159	Aug:18:87	82	1000	STRIPPING	200	\$2.00	\$400.00
160	Aug:19:87	83	1000	STRIPPING	1380	\$2.00	\$2,760.00
<b>TOTAL</b>					<b>375120</b>		<b>\$750,240.00</b>

*72 days*  
*81 shifts*

PREPARED AND PRINTED OCTOBER 21ST 1987.



Strip Ratio — 3 to 1.

$$.013 \times 4,590,000 - 1,530,000 \times .052$$

$$6,120,000 \text{ (@ } 0.023)$$

(200 yds x 20 hrs x 137)

Annual Throughput = 548,000

Cost per year mining = 30 people x 20 x 20 hrs x 137 dump  
= 1,645,000

Life of Property = 11 years.

$$A = \overset{\text{at } 820 \text{ ft}}{5,374,345} - 537,150 - 1,330,000 - 3,507,195$$

$$- \frac{1,645,000}{11} = 1,862,195$$

$r' = 11\%$

$r = 4\%$

$V_p = (\text{Table 7})$

$$252,195 \times 5.4304$$

$$1,862,195 \times 5.4304$$

$$10,112,464$$

$$1,330,000$$


---


$$1,862,195$$

profit per year

$$- 1,610,000$$


---


$$252,195$$

Strip Ratio — 2½ to 1.

$$3,825,000 \times .015 - 1,530,000 \times .052$$

$$5,355,000 \text{ @ } 0.026 =$$

Life of Property = 10 years

# of y. annually @ 820 ft =

$$\frac{11683}{107\% = 1425}$$

$$\frac{11683}{27.5\% = 4248}$$

$$\frac{11683}{35.26\% = 3316.3}$$

$$\frac{11683}{40.6\% = 2877.3}$$

$$2623 \times 520 = 1,363,960$$

Labour Cost annually = 1,645,000

25653 annually  
60% Ag = 1539 x 9  
= 13,850

$$3,189,284$$

$$- 1,645,000$$


---


$$1,544,284$$

Stripping cost annually = 510,000  
Mining costs annually = 1,100,000

$$V_p (\text{Table 7}) = 1,580,000 \times 5.1735$$

$$= 8,174,000$$

$$= 708,960 \times 5.1735$$

$$= 3,668,000$$

$$1,580,000$$

profit per year.

$$708,960$$

$$3.3941 = 2,406,281 \text{ (Square)}$$

$$= 9,571,905 \text{ (Square)}$$

6,000,000

$$1000 \times 20,000$$

$$1000 \times 20,000 = 20,000,000$$

1,200,000

$$1000 \times 20,000 = 20,000,000$$

$$1000 \times 20,000 = 20,000,000$$

1000 x 20,000 = 20,000,000

$$1000 \times 20,000 = 20,000,000$$

$$1000 \times 20,000 = 20,000,000$$

$$1000 \times 20,000 = 20,000,000$$



$$\text{Profits first 5 years} = 1,812,650 \times 5$$

$$= \$9,063,250$$

$$\text{Profits Second 5 years} = 4,039,778 \times 5$$

$$= \$20,198,890$$

$$\underline{\$29,262,140}$$

### Royalties

at end of first 5 years =

$$\text{LSH} = (3,155 \times 2) + (4673.2 \times 3) = 20,329.6 \text{ g Au.}$$

$$\text{Unit Holder} = (1,168 \times 2) = \underline{2,336 \text{ g Au}}$$

### Present Net Worth

$$\textcircled{1} \quad 6,152,315 + 13,711,411$$

$$= \$19,863,726$$

$$\textcircled{2} \quad 1,812,650 + 4,039,778 \div 2$$

$$= \del{5852422}$$

$$2,926,214 \times .51735^{(10 \text{ yrs})}$$

$$= \$1,513,768$$

$$1,738,366 \times 3$$

$$2,247,000 \times 1$$

$$4,126,800 \times 6$$


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$$30,300,200 \div 10$$

$$= 3,030,020 \times 5.1735$$

$$= \$15,675,800$$

$$\text{Share Worth} = 1,975,712 + 812,954 = 2,788,666 \text{ [}@19M] = \$7.12$$

$$\text{[}@15M] = \$5.43$$

PROPERTY

The 21 claims and fractions constituting the placer group under the direction of Mistral Resources Ltd. are contiguous, extending in a north-south configuration over a distance of 1.2 miles (2 kilometers) from the north shore of Surprise Lake along the lower reaches of Otter Creek.

The claim group is located in the Atlin Mining Division of British Columbia and is centered on latitude 59 deg. 37' north and longitude 133 deg. 23' west. Its N.T.S. location is 104N/11W. See figure 2.

The following claims constitute the group:

<u>Number</u>	<u>Expiry Date</u>
PML 1697	OCT. 12/89
PL 1528	OCT. 12/89
PL 1739	OCT. 12/89
PL 2302	OCT. 12/89
PL 4604	OCT. 28/89
PL 4605	OCT. 28/89
PL 4606	OCT. 28/89
PL 4607	OCT. 28/89
PML 1745	
PML 1869	
PML 1687	
PL 4688	
PML 1866	
PML 1868	
PML 1849	
PML 1867	
PML 1702	
PML 1703	
PML 1782	
PL 4689	
PL 4690	

*Data insert*

May 15 June 30 July 31 Aug 31 Sept 30 Oct. 31  
 2009.5 = 152 days.  
 less 10% downtime = 137 days

Sierra Mining

HOSKOLD'S TABLES

Assumptions

Presuppose

Facts.

1,530,000 .04

Price of Gold constant = 400 U.S. (1130 = 5200)

Yardage & Grade

Annual throughput constant = 548,000 (200 x 20 x 137)

life of property (n)

Annual production time constant = 137 days

3 years

Return on investment = 15% (11% on Capital, 4% Redemption)

Cost per day mined = 30 x 20 x 20 ms = \$12,000 day (x137 = 1,645,000)

Au Fineness = 820

(A) Reserve 26 amount of dollars annually from

sale of gold less royalties

$$11,398,400 \times .82 - (13.1 \times 137 \times 520) - (37.47 \times 137 \times 520) = 6,095,000$$

Hoskold formula

A = Profit per year (4,450,000)

n = No. of years 3 yrs.

r' = Return on Capital

v = Redemption

$$V_p = \frac{A}{\frac{r}{R^n - 1} + r'}$$

~~Vp~~ A = 4,450,000  
 r' = 11%  
 r = 4%

$$V_p = (\text{Table 7}) = 4,450,000 \times 2.3237 = 10,340,465$$

Strippers =

$$\text{Mining} = 548,000 \times 2 = 1,100,000 \text{ annually}$$



# O/B Removal.

*Proven*

$$1782 = 150 \text{ ft width} \times 960 \text{ ft} \times 100 \quad (\text{530,000})$$

$$1702 = 150 \times 800 \times 70 \quad (\text{310,000})$$

*Possible*

$$1782 = 150 \text{ ft} \times 1100 \text{ ft} \times 100 \quad (\text{610,000})$$

$$1702 = 150 \times 450 \times 70 \quad (\text{175,000})$$

$$150 \times 2400 \times 70 \quad (\text{930,000})$$

Cost = \$5,100,000

10 yrs = \$510,000/year.

$2,555,000 \times 10$   
 $= \text{\$19,100,000}$   
 $\text{\$5,110,000}$

200 Units → \$50,000  
 → 1000000 \$/yr +  
 payment of principal  
 + interest in Ar.  
 (Prmi + 20%)

# Payments by Mistral

	<u>Genie</u> Shares	Raw Au
	40,000 (Unit holders)	2,400 oz
	16,000 (1 Unit holder)	(to Unit holders)
300,000 } Builders 60,000 } Liens	60,606 - Builders Lien	+ 1000 (1 Unit holder)
	40,000 - Builders Lien	+
<u>62,500</u> - Drain Lease	66,000 - Drain Lease	
	250,000 - Various Parties	
	<u>8,183</u> - Legal & Bookkeepers	

422,500      480,789 shares (Pooled)      2400 oz Au

LSH Inc. (advanced 1,570,000 to Genie)  
will receive 133,333 shares (for 400,000)

As. Oblig) 2,000,000 → Prime + 1 1/2% due Nov 1/90  
require 40% annual gold production  
@ 350.88/oz. Con. (5700 oz.)

To pay 4189.5 oz of Au Oblig by 5700 oz + 800 oz bonus  
Finder Fee of 208,450 shares  
Additional 241,429 shares for work rendered  
" 214,005 shares <sup>probably thrown out</sup> for Brewery units. (Pooled)  
116,163 shares from pooled Brewery stock to be cancelled.

87900

9800

97700 yds. on

375,120 yds off.

472,820 x 92.

~945,640

circled

Don

proposed item out



30%

Property visit, Decision Construction

No outbody can be measured with absolute certainty only after it has been mined. It can seldom be seen as a whole body. In all forms of mining there is always a region beyond which one must visualize continuance or possible interruption of ore.

(Pg 20)

Some estimate the tonnage of developed, probable & possible ore in full, add them together & discount the total result by some percentage. This discount expresses the judgement of the engineer on the possibility of recovering the tonnage.

Assumptions  
Constants:

(1) 10/16

Price of Gold =  $425 \text{ (1.20)} / 0.76 = 552.50$

Annual throughput =  $200 \times 20 \times 137 = 548,000 \text{ yds}$

Length of Season =  $152 \text{ less } 10\% \text{ down days} = 137 \text{ days}$

Returns on Investment =  $15\%$  (11% on capital; 4% Annual Redempt. in)

Cost per yr. mining (Labour) =  $30 \text{ people} \times \$20/\text{hr} \times 20\text{ hrs} \times 137 \text{ days} = 1,645,000$

Strip Ratio =  $2\frac{1}{2}$  to 1. (Internal)

Ore =  $1,530,000 \text{ yds} @ .052$

Waste =  $3,825,000 \text{ yds} @ .015$

Total yds =  $5,355,000 \text{ yds} @ 0.026$

Life of Property = 10 years

O/B Removal cost =  $2,555,000 @ \$2 \div 10 \text{ yrs} = \$510,000 \text{ annually}$

Mining Costs =  $548,000 @ \$2 = \$1,100,000 \text{ annually}$

Fineness of Gold =  $820 (.82)$  Purity (.11) Ag =  $256.53 \text{ Annually}$

Royalties - Gold = Unit holder =  $10\%$  (2 years production)  
= LSH + Eyr tax =  $30\%$  of remainder (5 years prod.)  
until unit holder paid then  $40\%$

# ounces Au annually @ .82 fineness =  $14,248 \times .82 = 11,683$

less  $10\%$  =  $1,168$

$10,515$

less  $30\%$  =  $3,155$

$7,360$  ounces Au

Annual ~~Gross~~ Sales =  $7360 \times 520 = \$3,827,200$

less labour costs =  $1,645,000$

less annual mining costs =  $1,100,000$

less annual stripping =  $510,000$

$1,798,800$

Annual Profit =  $1,572,200$

+ Ag profits =  $13,850$

\*  $1,586,050$

$1,812,650$

$1,825,250$



Net Worth (Hoskins Formula)

$$V_p = \frac{A}{\frac{r}{R^n - 1} + r'}$$

(5 years)  $1,825,250$   
 $1,812,650 = 1,586,050 \times 3.3941 = 6,195,081$   
 $= 4,798,112 + 5,383,212 = 6,152,315$

At end of Five Years 2 1/2% royalty continues  
 2 1/2% Profit = 11,683 acres = \$6,075,160 6,454,858  
 11,683 acres less labour costs = \$6,645,000 6,293,528  
 less 2.92% less annual mngy cost = 1,100,000  
 less annual striping = 510,000  
 $\$3,820,160$  4025928  
 + Ag profits 13,850  
 $\$3,834,010$  4199858

Net Worth =  $3,834,010 \times 3.3941$   
 5 years =  $9,618,913$  4213708  
 $13,013,013$  4039778  
 $14,301,745$  13711411

∴ Net Worth (life of mine = 10 yrs) =  $1,989,112 + 9,618,913$

$6,152,315$  6,195,081  
 $14,301,745$   
 $13,711,411$

$\$5,804,012$   
 $\$9,198,113$

$9,931,863$  \$10,248,413  
 $3 - 1,904,284 - ?$  - 1,904,284  
 $8,027,579$  8,344,128



# Assumptions Constants.

(1)

Price of Gold =  $400 \text{ US} = 5.20 \text{ C}^{(1.20)}$

Annual throughput =  $200 \times 20 \times 137 = 548,000 \text{ yds.}$

Length of Season =  $152 \text{ less } 10\% \text{ down days} = 137 \text{ days}$

Return on Investment =  $15\%$  (11% on capital; 4% Annual Redemption)

Cost per yr. mining (Labour) =  $30 \text{ people} \times \$20/\text{hr} \times 20 \text{ hrs} \times 137 \text{ days} = \$645,000$

Strip Ratio =  $2\frac{1}{2}$  to 1. (Internal)

Ore =  $1,530,000 \text{ yds. @ } 0.052$

Waste =  $3,825,000 \text{ yds. @ } 0.15$

Total yds =  $5,355,000 \text{ yds. @ } 0.026$

Life of Property = 10 years

O/B Removal ~~costs~~  $2,555,000 @ \$2 \div 10 \text{ yrs} = \$510,000 \text{ annually}$

Mining Costs =  $548,000 @ \$2 = \$1,100,000 \text{ annually}$

Fineness of Gold =  $820 (.82)$  Presume (.11) Ag =  $25653 \text{ Annually}$

Royalties - Gold = Unit holder =  $10\%$  (2 years production)

= LSH + Egypt tax =  $30\%$  of remainder (5 years prod.)  
until unit holder paid then  $40\%$

# ounces Au annually @  $.82$  fineness =  $14,248 \times .82 = 11,683$

less  $10\%$  =  $1,168$

10,515

less  $30\%$

= 3,155

7,360 ounces Au

Annual ~~gross~~ Sales =  $7360 \times 520 = \$3,827,200$

less labour costs =  $\$645,000$

less annual mining costs =  $1,100,000$

less annual stripping = 510,000

Annual Profit =  $1,572,200$

+ Ag profits =  $13,850$

$\$1,586,050$

# Paying for property

Shares

1,193,140 shares to Genie Shareholder.

Cash Out

1.6M for stock. N.P.U.

5,422,500 for

5,899,093  
2,085,355

\$ 2,085,355

Compound yearly  
@ 10%

4.1M  
for 10 years

without interest Halloran gets 14,480 yd. → 4 year Payoff

B

L - Sandy michi

Carte pays \$ 15 day/man.

89,900 yd sl  
4,789 y. Au  
0053



Net Worth (Hoskins Formula)

$$V_p = \frac{A}{\frac{r}{R^n - 1} + r'}$$

(5 years)

$$= 1,586,050 \times 3.3941$$

$$= \cancel{5,383,212}$$

$$5,383,212$$

At end of Five Years 25% paid ∴ no royalties

Profit = 11,683 acres = \$6,075,160

less labour costs = \$645,000

less annual mung cost = 1,100,000

less annual shipping = 510,000

\$3,820,160

+ Ag profits

13,850

\$3,834,010

Net Worth = 3,834,010 × 3.3941

5 years = ~~13,013,013~~

13,013,013

∴ Net Worth (life of mine = 10 yrs) = 1,989,112 + 9,618,913

2

$$= \cancel{5,804,012}$$

$$9,198,113$$

N.S.R  
N.P.R.



stripper - 320,000 yds. @ \$2.

Daily

$200 \times 20 = 4000 \text{ yds.} @ \$2$

$2000 \times 600$

Costs =  $30 \times 20 \times 20 = 12000$

Operating Profit = \$100,000  
Gross = \$12M.

Costs = \$650,000 stripper  
 $4000 \times 120 \times 2 = 960,000$  men  
\$1,600,000  
~~\$1,000,000~~ Yearly

Red - Safety Inspector -

Hesley - Michael Gilley - Lee First -  
Murray - Dick Oddy - Security 10.

Pg 2 - Approach

- ✓ ① with investors who are major creditors  
of Genie or the arrangements which Muted  
has ~~made~~ made with such creditors as well  
as by the arrangements made by Muted  
to borrow funds for the 1987 mining season.
- ✓ ② has used tables published for this  
purpose
- ✓ ③ - give grade
- ✓ ④ (such as selection <sup>pieces</sup> of drift mining or done  
in the '30s)
- ✓ ⑤ Add backup from old plant.
- ✓ ⑥ The ~~holder has~~ holders of 12  
units have agreed

The writer has announced that the  
holders of 5 units will agree to  
accept payment on the same basis.

- ⑦ Show total effect of Au & \$ interest.  
interest ~~the~~ <sup>effect</sup> amount to.  
If the ~~total effect~~ <sup>total effect</sup> of the gold <sup>difference</sup> and interest <sup>loss</sup> ~~of this~~  
are aggregated the ~~amount~~ <sup>total effect</sup> of this



additional

double bonusing ~~being~~ becomes very apparent. Over  
② ~~the~~ and above having both principals paid  
the companies receive an additional  
→ ~~\$ 2,435,920~~. ~~The above~~ takes  
into account the ("triple") bonus of  
800 acres of gold.

5700 x 201.62 =	1,149,234	552.50 - 350.88
4189.5 x 201.62 =	844,687	
800 x 552.50	<u>442,000</u>	
	2,435,920	
	<del>1,296,436</del>	Int. on Resund Oblig.
	<del>203,836</del>	Int. on Loan
	<u><del>1,436,193</del></u>	