

Re. Concentrate net Revenue.

WMA

Re. CURRENT PRODUCTION/MARKETING COSTS

& Other Sections of Report

801212

KAM-KOTIA MINES LIMITED

New Denver, B.C.

ACCOUNTING REPORT

December 1976

KAM-KOTIA MINES LIMITED

New Denver, B.C.

N/A.

TRIAL BALANCE as at December 31st, 1976

		<u>Debit</u>	<u>Credit</u>
		\$	\$
<u>Cash on Hand & In Bank</u>		169,849.32	
Cash	\$ Nil		
C.I.B. of Commerce- Current Account	69,849.32		
C.I.B. of Commerce - Term Deposit Account	<u>100,000.00</u>		
<u>Account Receivable</u>		42,377.06	
Sundry	<u>\$ 42,377.06</u>		
<u>Stores & Prepaid Charges</u>		41,165.82	
Stores	\$ 25,382.02		
Property Rental	5,750.00		
Taxes	136.04		
Mill Wearing Parts	4,128.90		
Mine Equipment Overhaul	3,504.66		
Mill Equipment Overhaul	<u>2,264.20</u>		
<u>Plant Buildings & Equipment</u>		786,018.42	
<u>Accumulated Depreciation - Plant Bldg. & Equip.</u>			598,905.57
<u>Operating Expenses</u>		1,301,014.13	
Exploration	\$315,742.84		
Extraction	482,961.03		
Milling	239,846.22		
Mine To Mill Ore Haul	22,902.28		
Office Expense	69,020.54		
General Expense	<u>170,541.22</u>		
<u>Concentrates on Hand & In Transit 1976</u>		511,992.55	
<u>Concentrate Marketing Charges 1976</u>		760,844.84	
<u>Concentrate Production 1976</u>			2,069,571.19
<u>Reserve for Conc. Marketing Charges 1976</u>			194,784.90
<u>1975 Concentrate Revenue Realized 1976</u>			82,697.87
<u>Concentrate Preliminary Settlements</u>			133,222.73
<u>1975 Mineral Land Tax Adjustment</u>			10,945.50
<u>Sundry Revenue 1976</u>			16,736.46
<u>Accounts Payable</u>			109,350.94
Sundry	\$ 60,368.31		
Vouchers Payable	30,756.70		
Payroll Payable	16,952.90		
Insurance Payable	<u>1,273.03</u>		
<u>Head Office</u>			397,046.98
		<u>3,613,262.14</u>	<u>3,613,262.14</u>

KAM-KOTIA MINES LIMITED *N/A*
 New Denver, B.C.

BALANCE SHEET as at December 31, 1976
Before Audit & Closing Entries

ASSETS

Current Assets

Cash on Hand & In Bank		\$169,849.32	
Accounts Receivable		42,377.06	
Stores & Prepaid Charges		41,165.82	
Concentrates on Hand & In Transit 1976	\$511,992.55		
<u>Less: Reserve for Conc. Marketing 1976</u>	<u>194,784.90</u>		
	317,207.65		
<u>Less: Concentrate Preliminary Settlements</u>	<u>133,222.73</u>	<u>183,984.92</u>	
			\$437,377.12

Fixed Assets:

Plant Building & Equipment		\$786,018.42	
<u>Less: Accumulated Depreciation</u>		<u>598,905.57</u>	
			<u>187,112.85</u>
			<u>\$624,489.97</u>

LIABILITIES

Current Liabilities

Accounts Payable			\$109,350.94
<u>Head Office</u>			397,046.98
<u>Add: Assets in Excess of Liabilities</u>			<u>118,092.05</u>
			<u>\$624,489.97</u>

Cash Inflow - Cash Outflow = Net Cash Flow

KAM-KOTIA MINES LIMITED

New Denver, B.C.

STATEMENT OF OPERATING PROFIT

December 1976

Before Audit & Closing Entries

Tons of Ore Milled (Average Ag 13.56ozs./T; Pb 5.73%; Zn 4.97%) This Month 1,637.10

	Total \$	Per Ton Milled \$	Total \$	Per Ton Milled \$
Estimated Value of Production <i>from pages 2 & 3</i>				
157.38% Lead Concentrate <i>subject to yearly increase</i>	\$109,580.19			
Less: Marketing Charges <i>(20.29/Tons)</i>	33,218.00	46.645	76,362.19	
119.70% Zinc Concentrate	\$ 75,444.99			
Less: Marketing Charges <i>(21.79/Tons)</i>	35,671.18	24.295	39,773.81	
Total (Net Value) <i>Cash Inflow Concentrate Revenue (Pb+Zn Conc.)</i>	116,136.00	70.940		
Sundry Revenue <i>(Caration milling)</i>	175.00	.107		
* Total Revenue <i>Cash In-flow</i>	116,311.00	71.047		

Operating Expenses <i>or Costs subject to increase, year by year</i>	Total \$	Per Ton Milled \$	Total \$	Per Ton Milled \$
Exploration <i>(page 4)</i>	22,964.97	14.028		
Extraction <i>(page 4)</i>	34,911.33	21.325		
Milling <i>(page 6)</i>	21,075.43	12.874		
Mine to Mill Ore Haul <i>(page 7)</i>	1,944.00	1.187		
Office Expense <i>(page 8)</i>	6,231.74	3.807		
General Expense <i>(page 9)</i>	18,714.04	11.431		
Total Operating Expenses <i>Cash Outflow</i>	105,841.51	64.652		
Net Operating Profit = <i>Net Cash Flow</i>	10,469.49	6.395		

B.C. Tax after process allow = 15%
 Federal Tax = 18% of (Income - B.C. Tax paid) = 9.1%
 Net Tax payable = 5.6% of (Income over a min. level per year)

Note: Net Cash Flowing Profit
 - net B.C. Mining Tax (15%)
 = Sub-total
 - net Federal Income Tax (10%)
 - Capital Amort. + Interest (debt)
 = Cash Flow

Add: 1975 Concentrate Revenue Realized 1976 + 82,697.87 → 4.494
 1975 Mineral Land Tax (Estimate vs Actual) + 10,945.50 → .595
 Gross Operating Profit (= Net Cash Flow) = 118,092.05 → 6.418

350,560.51
 410,284.33
 760,844.84
 18,401.61
 YTD conc. marketing chg
 41,350
 19,870 net tons
 15,334.7 T. tons/mo.
 Year To Date 18,401.61
 (13.35 5.30 4.86) Per Ton

Total \$	Milled \$
1,183,289.30	
-350,560.51	
832,728.79	45.253
886,281.89	
-410,284.33	
475,997.56	25.867
1,308,726.35	71.120
16,736.46	.910
1,325,462.81	72.030

KAM-KOTIA MINES LIMITED

New Denver, B.C.

*derived from 18,401.6 dry tons mill feed -
@ Ag, 13.35 Pb, 5.3% Zn, 4.86%*

LEAD CONCENTRATE PRODUCTION

Lead Concentrate Production
December 1976

	THIS MONTH								YEAR TO DATE							
	SDT	SILVER ozs	LEAD lbs	ZINC lbs	SILVER \$	LEAD \$	ZINC \$	TOTAL \$	SDT	SILVER ozs	LEAD lbs	ZINC lbs	SILVER \$	LEAD \$	ZINC \$	TOTAL \$
Finals - Part #86,87-115									1,274,2365	128,759.25	1,513,273	230,480	549,544.64	348,082.95	81,297.17	978,924.76
Est. Lots 116-119									121,5220	10,491.42	143,422	24,416	44,588.54	34,421.28	8,570.01	87,579.83
On Hand - Dec. 1st	-9.1000	-930.93	-10,738	-1,784	-4,003.00	-2,577.12	-624.40	-7,204.52	9.1000	930.93	10,738	1,784	4,003.00	2,577.12	624.40	7,204.52
Est. Lots #120-122	113.4270	10,213.51	131,134	21,240	43,918.09	31,472.16	7,434.00	82,824.25								
On Hand Dec. 31st	47.0600	4,103.63	55,625	8,471	17,645.61	13,350.00	2,964.35	33,960.46								
Gross Value - Month	<u>151.3870</u>	<u>13,386.21</u>	<u>176,021</u>	<u>27,927</u>	<u>57,560.70</u>	<u>42,245.04</u>	<u>9,774.45</u>	109,580.19	<u>151.3870</u>	<u>13,386.21</u>	<u>176,021</u>	<u>27,927</u>	<u>57,560.70</u>	<u>42,245.04</u>	<u>9,774.45</u>	109,580.19
Gross Value - Y.T.D.									<u>1,556,2455</u>	<u>153,567.81</u>	<u>1,843,454</u>	<u>284,607</u>	<u>655,696.88</u>	<u>427,326.39</u>	<u>100,266.03</u>	1,183,289.30
Gross Unit Value					4.3000	.2400	.3500						4.2698	.2318	.3523	
* Truck Freight	\$ 1,787.11								\$17,679.86							
Metal Deduction					3,949.59	2,675.52	2,199.82						44,984.96	27,067.85	22,995.35	
Price Deduction					1,137.83	8,801.05	4,189.05						13,053.27	88,976.83	42,691.05	
Treatment	6,433.95								70,612.24							
Moisture Penalty	118.04								1,170.76							
Rep. & Assaying	149.46								1,402.20							
Rail Car Rental	605.55								6,975.75							
B.M.C. Commission	1,171.03								12,950.39							
Total Marketing Costs (charges)	\$ 10,265.14				5,087.42	11,476.57	6,388.87	33,218.00	\$110,791.20				58,038.23	116,044.68	65,686.40	350,560.51
* Net Value F.O.B. Mill	\$ -10,265.14				52,473.28	30,768.47	3,385.58	76,362.19	\$ -110,791.20				597,658.65	311,281.71	34,579.63	832,728.79
Net Unit Value					3.9200	.1748	.1212						3.8918	.1689	.1215	
Net Value Per Ton of Concentrate	\$ -67.81	88.42	58.14	9.22	346.62	203.24	22.37	504.42	\$ -71.19	98.68	59.23	9.14	384.04	200.02	22.22	535.09

*\$ 71.19
Total marketing
charge per ton
of Pb conc
Y.T.D.*

*To Page 2
Statement of
Operating Profit*

derived from 18,401.6 dry tons milled @ Ag, 13.35 g/ton, Pb, 5.3%, Zn, 4.8%

Bunker Bell - do not pay for Pb in Zn Conc. ⁽³⁾

KAM-KOTIA MINES LIMITED
New Denver, B.C.

ZINC CONCENTRATE PRODUCTION

Zinc Concentrate Production
December 1976

from B. of m April 28/77:
(Each rate \$/oz, Dec 17/76 = 1.0275)

	THIS MONTH							YEAR TO DATE								
	SDT	SILVER ozs	ZINC lbs	CADMIUM lbs	SILVER \$	ZINC \$	CADMIUM \$	TOTAL \$	SDT	SILVER ozs	ZINC lbs	CADMIUM lbs	SILVER \$	ZINC \$	CADMIUM \$	TOTAL \$
Finals - Part #59,60-86																
Est. Lots 87-97																
On Hand - Dec. 1st	-21,9600	-1,186.94	-21,982	-169.09	-5,091.97	-8,023.43	-500.51	-13,615.91	21,9600	1,186.94	21,982	169.09	5,091.97	8,023.43	500.51	13,615.91
Est. Lots 98-100	75,8235	4,351.13	74,651	578.47	18,666.35	27,247.63	1,712.27	47,626.25								
On Hand - Dec. 31st	65,8370	3,706.62	65,442	493.78	16,086.73	23,886.33	1,461.59	41,434.65								
Gross Value - Month	119,7005	6,870.81	118,111	903.16	29,661.11	43,110.53	2,673.35	75,444.99	119,7005	6,870.81	118,111	903.16	29,661.11	43,110.53	2,673.35	75,444.99
Gross Value - Y.T.D.									1,367,1005	84,630.97	1,354,517	10,236.97	365,002.29	493,965.41	27,314.19	886,281.89
Gross Unit Value					4.3170	.3650	2.96						4.3129	.3647	2.6682	
Truck Freight	\$ 2,957.41	\$24.70/d.t.							\$32,286.82	\$23.62/d.t.						
Metal Deduction					5,877.24	6,377.99	1,284.90						72,082.58	76,219.42	12,605.31	
Price Deduction					274.82	590.57	451.58						3,567.32	6,561.30	5,434.67	
Treatment	129.50 x 1.05 = 135.98								178,110.89	\$130.28						
Iron Penalty	3.68 x 1.05 = 3.86								5,525.14	= 4.04 dry/ton						
Duty									41.37	negligible						
Rep. & Assaying	(1.72 x 1.05 = 1.81)								2,821.12	(2.06) - pol #2.00/d.t.						
Pollution Assessment	nil					687.70			nil					7,205.83		
B.M.C. Commission	(5.34 x 1.05 = 5.61)								-7,822.56	= 5.72/d.t.						
Total Marketing	\$ 20,126.38	\$168.14 ✓			6,152.06	7,656.26	1,736.48	35,671.18	\$ 226,607.90				75,649.90	89,986.55	18,039.98	410,284.33
Net Value	\$-20,126.38				23,509.05	35,454.27	936.87	39,773.81	\$-226,607.90				289,352.39	403,978.86	9,274.21	475,997.56
Net Unit Value					3.4216	.3002	1.0373						3.4190	.2982	.9060	
Net Value Per Ton of Concentrate	\$ -168.14	57.40	49.34	.3773	196.40	296.19	7.83	332.28	\$ -165.76	61.91	49.54	.3744	211.66	295.50	6.78	348.18

16/5776
Total Marketing
charge per ton
of Zn Conc.
Y.T.D.

To Statement of
Operating Profit

Miner Rate - Base 6.84 Fringe 1.83 Total (min) 8.67/hr
 Miner Rate - Base 6.34 Fringe 1.83 Total (min) 8.17/hr
 Total (man) 69.36/sh - * 80/shift
 Total (man) 65.36/sh. - * 74/shift

KAM-KOTIA MINES LIMITED

New Denver, B.C.

Tons Ore Milled: Month Dec/76 1,637.10 -- 21 days
 Year To Date 18,401.61 -- Avg = 1533.77

Mine Exploration & Extraction
 December 1976

(MINE COSTS ONLY)
 MINE EXPLORATION & EXTRACTION - TOTAL COSTS & UNIT COSTS - based on the LHD develop/mining method as stretched to the limits of its efficiency.
 December 1976

	Labour	Supplies & Other	Explosives	Mine Services	THIS MONTH			YEAR TO DATE					
					Total	Unit Adv.	Unit Cost	Cost/T Milled	Total	Unit Adv.	Unit Cost	Cost/T Milled	
	\$	\$	\$	\$	\$	ft	\$	\$	\$	ft	\$	\$	
EXPLORATION (incl prop. of distributable costs)													
Diamond Drilling								84,969.92	5,942.0	14.30	4.617		
Diamond Drill Stations								3,196.57	16.0	199.79	.174		
Drifts & X-Cuts								35,777.06	305.5	117.11	1.944		
Raises & Box Holes								7,521.59	86.0	87.46	.409		
Declines	7,263.43	1,249.23	1,915.28	11,347.87	21,775.81	179.0	121.65	13.302	158,733.21	1,490.5	106.50	8.626	
Decline - Vent Raises	362.56	-	138.26	688.34	1,189.16	21.0	56.63	.726	25,544.49	345.0	74.04	1.388	
<i>(Just raises for ventilating the decline)</i>	7,625.99	1,249.23	2,053.54	12,036.21	22,964.97			14.028	315,742.84			17.158	
EXTRACTION (incl prop. of distributable costs)													
Stope Development	2,172.07	607.87	450.23	2,966.19	6,196.36	35.5	174.55	3.785	144,460.53	1,352.0	106.85	7.850	
Stoping	12,175.34	1,792.73	1,566.49	13,180.41	28,714.97			17.540	338,500.50			18.395	
	14,347.41	2,400.60	2,016.72	16,146.60	34,911.33			21.325	482,961.03			26,245	
Total This Month	21,973.40	3,649.83	4,070.26	28,182.81	57,876.30								
Cost/T Milled	13.422	2.230	2.486	17.215	35.353								
Total To Date, Dec 31/76	246,911.22	94,200.45	54,905.15	402,687.05					798,703.87				
Cost/T Milled	13.418	5.119	2.983	21.883					43.403				

246,911.22
 12
 = 20,576

Per Basis 1500 s.d.t./mo. milled (once year to cost/ton applicable)
 Labour = fixed base for any tonnage = 1500/mo - \$ 20,576 + cost/mo. of 2 no. of ...
 +
 Supplies & Other = 5 d.t./mo x 5.12
 Explosives = 5 d.t./mo x 2.98
 Mine Services = \$ 16,500 + 5 d.t./mo x 11.00 (at progressively higher tonnages)

low cost benefit of bulk effect

\$ 43,403

④ -- fixed \$ amount for my tonnage.

⑤

KAM-KOTIA MINES LIMITED

New Denver, B.C.

MINE SERVICES EXPENSE

December 1976

1637.1 tons

Distributed only 2nd over 1500 tons
avg 1533.5 tons/mo

	THIS MONTH		YEAR TO DATE		
	Labour	Supplies & Other	Cost/T Milled	Cost/T Milled	
	\$	\$	\$	\$	
General Expense	1,034.86	258.34	.790	.935	1/2
Mine Maintenance	3,621.88	908.50	2.767	2.707	1/2
Waste Disposal ^{trimming & dump costs}	1,314.05	600.09	1.169	2.666	1/2
Compressed Air & Power	1,777.28	3,396.78	3.161	3.564	1/2
Ventilation	132.99	124.06	.157	.169	1/2
Air & Water Lines	148.50	673.04	.502	.381	1/2
Drill Steel & Bits	620.44	1,098.89	1.050	1.149	1/2
Drill Mtnc. & Repair	164.19	630.56	.485	.878	1/2
Equip. Mtnc. & Repair	1,947.49	4,575.98	3.985	6.377	1/2
Mine Safety	-	-	-	.149	1/2
Engineering & Surveying	5,063.70	71.64	3.137	2.726	1/2
Sampling & Assaying	-	19.55	.012	.182	1/2
This Month	15,825.38	12,357.43			
Cost/T Milled	9.667	7.548			
Year To Date	214,524.28	188,162.77			
Cost/T Milled	11.658	10.225			

Base = 1500 Tons/mo

Fixed Expenses Each month	Considered as Proportional to Tons/mo
Basic Fixed \$ 1,434.10	
1,151.58	
4,088.23	
1,777.28	3,688.31
259.16	
584.27	
	1,761.69
	1,346.48
	9,778.00
	229.00
4,180.76	
	278.37
16,775.38	17,081.85
take \$ 16,500	11.00/T

Just ③ - year to date thru 31/76
 Basic = 12 x 16,704.38 = 200,452.56
 Ton-cost = 18,461.61 x 10.98 = 202,049.67
 Total = 402,502.23
 10.99

①
 try 1637.10 tons @ "derived" costs
 Basic - - - - - 12,528.62
 Direct, 1637.10 x 13,716 = 22,454.46
 Total = 34,983.08
 Cost/ton = 34,983.08 / 1637.1 = 21.36/ton
 ② Basic - - - - - 16,704.38
 Direct, 1637.10 x 10.99 = 17,991.73
 Total = 34,696.11
 Cost/ton = 34,696.11 / 1637.10 = 21.19/ton

①
 Fixed portion of mine services expense applicable to all monthly tonnage ≥ 1500 tons

②
 Tonnage - related portion of mine services expense; applicable to all monthly tonnage ≥ 1500 tons



KAM-KOTIA MINES LIMITED
New Denver, B.C.

Milling
December 1976

Tons Milled: Month 1,637.10
Year To Date 18,401.61

REPORT of
MILLING COSTS

	THIS MONTH				YEAR TO DATE	
	Total Cost \$	Cost/T Milled \$	Total Cost \$	Cost/T Milled \$	Total Cost \$	Cost/T Milled \$
Crushing & Conveying	1,130.08	.751	14,307.05	.777	14,307.05	.777
Grinding & Classification	3,261.48	3.418	57,724.04	3.137	57,724.04	3.137
Flotation	1,763.47	2.215	39,955.18	2.171	39,955.18	2.171
Filtration	1,649.02	1.012	20,006.39	1.087	20,006.39	1.087
Assaying	1,368.70	.884	15,697.90	.853	15,697.90	.853
Power Supply & Lighting	-	1.704	32,914.22	1.789	32,914.22	1.789
Water Supply	-	-	767.40	.042	767.40	.042
Tailings & Disposal	7.63	.155	10,924.52	.594	10,924.52	.594
Supervision	2,085.05	1.274	22,125.93	1.202	22,125.93	1.202
General Expense (not specified)	187.47	1.461	25,423.59	1.382	25,423.59	1.382
This Month Cost/T Milled	11,452.90	6.996	21,075.43	12.874	239,846.22	13.034
Year To Date Cost/T Milled	134,699.41	7.320	23,217.79	1.262	239,846.22	13.034

Handwritten notes:
Gross labour cost will decrease with higher rates.
unit cost will decrease with higher rates.
Must cost / ton
Variance of price

Handwritten notes:
For 18,401.61 dry tons
1533.47/mo.
Gross labour cost will be very nearly constant
Supplies cost + prop. to rate of production
Reagents costs - take @ \$1.00/ton (rel. to Dec 31/76)
Other costs + prop. to rate of production.

Base 1500 tons/mo:

Summary, per reconciln. of Dec/76 + 1976 (12 mo) cost
labour - Fixed for any tonnage = \$11,225/mo.
3.50 - Supplies
.96 - Reagents
1.26 - Other
Total = \$ (11,225 + C)
S.d.t./mo
set

S.d.t./mo	labour	+ S.R. 80	Total	Per sdt milled
@ 1500 t/mo	\$11,225.00	\$8,580	\$19,805.00	\$13.20
@ 2000 t/mo	11,225.00	11,440	22,665	\$11.33
@ 2500 t/mo	11,225.00	14,300	25,525	\$10.21
@ 3000 t/mo	11,225.00	17,160	28,385	\$9.46
@ 3500 t/mo	11,225.00	20,020	31,245	\$8.93

KAM-KOTIA MINES LIMITED
New Denver, B.C.

MINE TO MILL ORE HAULAGE
December 1976

	<u>THIS</u> <u>MONTH</u> \$	<u>Cost/T</u> <u>Milled</u> \$	<u>TO</u> <u>DATE</u> \$	<i>To Date</i> <u>Cost/T</u> <u>Milled</u> \$
Mine To Coarse Ore Bin	1,944.00	1.187	21,761.18	1.183
Mine To Mill Stockpile	-	-	812.70	.044
Mill Stockpile to Coarse Ore Bin	-	-	328.40	.018
	<u>1,944.00</u>	<u>1.187</u>	<u>22,902.28</u>	<u>1.245</u>

Take @ 1.25/ton as present (basic) figure.

KAM-KOTIA MINES LIMITED

New Denver, B.C.

MINES OFFICE EXPENSE

December 1976

	<u>THIS MONTH</u> \$	<u>Cost/T Milled</u> \$	<u>TO DATE</u> \$	<u>Cost/T Milled</u> \$
Management	3,000.00	1.833	36,000.00	1.956
Travelling Expense-Officials	308.03	.188	4,775.59	.260
Office Salaries	1,626.80	.994	18,956.97	1.030
Office Printing & Supplies	81.81	.050	1,995.41	.109
Postage	-	-	213.95	.012
Telephone	402.96	.246	3,095.42	.168
Audit & Legal	650.00	.397	2,250.00	.122
Bank Charges	(22.85)	(.014)	217.36	.012
Heating, Light & Water	151.40	.092	612.09	.033
Miscellaneous	33.59	.021	903.75	.049
	<u>6,231.74</u>	<u>3.807</u>	<u>69,020.54</u>	<u>3.751</u>

2.986

2.986 L.S.
0.765
3.751 ✓

cf - $\frac{1}{12} \times 5754.74 = 479.56$
use 5750 / mo. avg.

KAM-KOTIA MINES LIMITED

New Denver, B.C.

GENERAL EXPENSE

December 1976

1637.10 tons milled

Does not include
 (a) Provincial + Federal Income Taxes
 (b) Depreciation of plant + equip.
 (c) Provision for amortization exp. costs.

Year to Date

	<u>THIS</u> <u>MONTH</u> \$	<u>Cost/T</u> <u>Milled</u> \$	<u>TO</u> <u>DATE</u> \$	<u>Cost/T</u> <u>Milled</u> \$
Insurance <i>Fixed</i>	2,463.17	1.505	28,702.72	1.560 <i>— variable</i>
Real Property & Acreage Taxes <i>Fixed</i>	1,214.45	.742	13,821.02	.751
Mineral Land Taxes <i>Fixed</i>	Total for 1976 Credited - Not Payable			
Statutory Holidays <i>Varil.</i>	3,501.24	2.139	19,150.42	1.041
Miscellaneous <i>(1 or 2 - shot expense over year?)</i>	2,069.92	1.264	2,928.24	.159
Local Transportation <i>Varil</i>	1,911.38	1.167	24,950.02	1.356
Access Rights <i>Fuel</i>	150.00	.092	1,800.00	.098
Property Rental <i>Fixed</i>	500.00	.305	6,000.00	.326
Road Maintenance <i>Fixed</i>	-	-	1,941.58	.106
Snow Removal <i>Fixed</i>	965.25	.590	7,072.77	.384
Building Repairs & Maintenance <i>Fixed</i>	884.66	.540	7,992.05	.434
Residence Expense <i>Fixed</i>	142.67	.087	976.97	.053
Royalties <i>to Kam Kotia Varil.</i> <i>1637.10 dry tons X 3.00</i>	4,911.30	3.000	55,205.43	3.000
	<u>18,714.04</u>	<u>11.431</u>	<u>170,541.22</u>	<u>9.268</u>

1/2
 → \$14,212

KAM-KOTIA MINES LIMITED

New Denver, B.C.

N/A

Details of Sundry Accounts Receivable as at December 31, 1976

Amalgamet Canada Limited re Hewitt Leasors Conc.	\$41,851.09
Slocan Lake Golf Club	48.45
G. Musil	<u>477.52</u>
	<u>\$42,377.06</u>

Details of Sundry Accounts Payable as at December 31, 1976

Jarvis Clark Company Limited - ST2D Scooptram	\$ 3,303.95
Labourer's Medical & Benefit Plan of B.C.	1,506.96
Receiver General of Canada, Employees Income Tax, C.P.P. & Unemployment Insurance	12,930.57
Minister of Finance, 7% Provincial Tax	62.47
Imperial Oil Limited	3,944.69
Hewitt Leasors - Custom Ore	24,652.65
Lucerne Motel (1975) Ltd.	1,126.00
Holiday Pay - Reserve	12,841.02
	<u>60,368.31</u>

Details of Head Office Account as at December 31, 1976

Balance, November 30, 1976		\$389,135.68
Add: Management Fees	\$3,000.00	
Mortgage Royalties	4,911.30	
Balance, December 31, 1976		<u>\$397,046.98</u>

Details of Sundry Revenue Account as at December 31, 1976

	<u>Month</u>	<u>Year to Date</u>
	\$	\$
Rental Income - Housing Unit #1	75.00	900.00
Rental Income - Housing Unit #2	100.00	1,560.00
Hewitt Leasors - Custom Milling Fee	-	2,824.62
Term Deposit Interests	-	8,877.17
E. Petersen - Victor Lease Royalties	-	2,414.21
Hewitt Leasors - Interest On Advance	-	160.46
	<u>175.00</u>	<u>16,736.46</u>

KAM-KOTIA MINES LIMITED

New Denver, B.C.

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

September 1st, 1968 to December 31, 1976

Before Audit & Closing Entries

Source of Funds:

1975 Production Revenue Realized 1976	\$ 82,697.87	
1976 Production Estimated Value	1,308,726.35	
Sundry Revenue 1976	16,736.46	
Head Office	397,046.98	
1975 Mineral Land Tax (Estimate vs Actual)	10,945.50	
		\$1,816,153.16

Application of Funds

Fixed Assets	\$786,018.42	
Less: Accumulated Depreciation	- 598,905.57	
<i>= Depreciated Value of assets</i>	187,112.85	
Operating Expenses	+ 1,301,014.13	
		- 1,488,126.98
		<u>328,026.18</u>

Working Capital as at December 31, 1976

Represented by: <i>(Assets - Liabilities = Net Worth)</i>		
Current Assets	\$ 437,377.12	
- Current Liabilities	109,350.94	
		\$ 328,026.18
		<u>328,026.18</u>