FEASIBILITY STUDY
KERR ADDISON MINES LIMITED
ADANAC PROJECT

VOLUME IV

APPENDIX

VOLUME IV

APPENDIX

BULK SAMPLING BACKUP DATA

SUBSECTION VIII-5

ADANAC PROJECT

COMPLETE COINCIDENT DIAMOND DRILL HOLE DATA

AND THE SOURCE OF SELECT ASSAY GRADE

ADANAC PROJECT

COINCIDENT DIAMOND DRILLING RESULTS

00-00 RAISE

HOLE NO. 00-00

Year drilled: 1970
Core size: NQ
Sample size: total core
Assaying: by Loring and Adanac on separate pulps, both of which were prepared at the Adanac laboratory
Coincident footage: from 44 to 151 feet

Sample Interval	% Core Recovery	Coincident Footage	% MoS_2 Content		
			Adanac	Loring	Select*
40 to 50	84	6	.022	.015	.019
50 to 60	51	10	.013	.006	.010
60 to 70	86	10	.013	.004	.009
70 to 80	54	10	.017	.006	.012
80 to 90	49	10	.007	.006	.007
90 to 100	45	10	.032	.034	.033
100 to 110	61	10	.115	.120	.118
110 to 120	86	10	.078	.089	.084
120 to 130	96	10	.083	.089	.086
130 to 140	93	10	.074	.078	.076
140 to 150	100	10	.109	.110	.110
150 to 160	86	1	.118	.118	.118
	73	107	.053	.053	.053

* Select grade is the average of Adanac and Loring assay results

ADANAC PROJECT

COINCIDENT DIAMOND DRILLING RESULTS

00-IN RAISE

HOLE NO. 00-IN

Year drilled: 1970
Core size: NQ
Sample size: total core
Assaying: by Loring and Adanac on separate pulps, both of which were prepared at the Adanac laboratory
Coincident footage: from 57 to 159 feet

Sample Interval	% Core Recovery	Coincident Footage	% MoS_2 Content		
			Adanac	Loring	Select*
50 to 60	94	3	.013	.003	.008
60 to 70	47	10	.013	.006	.010
70 to 80	39	10	.017	.013	.015
80 to 90	70	10	.007	.009	.008
90 to 100	87	10	.010	.007	.009
100 to 110	34	10	.010	.006	.008
110 to 120	53	10	.034	.019	.027
120 to 130	100	10	.155	.145	.150
130 to 140	47	10	.060	.068	.064
140 to 150	57	10	.216	.206	.211
150 to 160	45	9	.292	.293	.293
	59	102	.077	.073	.075

* Select grade is the average of Adanac and Loring assay results

ADANAC PROJECT

COINCIDENT DIAMOND DRILLING RESULTS

00-2N RAISE

HOLE NO. 00-2N

Year drilled:	1970
Core size:	NQ
Sample size:	total core
Assaying:	by Loring and Adanac on separate pulps, both of which were prepared at the Adanac laboratory
Coincident footage:	from 74 to 173 feet

Sample Interval	% Core Recovery	Coincident Footage	% MoS_2 Content		
			Adanac	Loring	Select*
70 to 80	62	6	.037	.033	.035
80 to 90	45	10	.009	.003	.006
90 to 100	61	10	.012	.006	.009
100 to 110	59	10	.009	.003	.006
110 to 120	85	10	.085	.076	.081
120 to 130	83	10	.137	.127	.132
130 to 140	50	10	.299	.298	.299
140 to 150	83	10	.098	.108	.103
150 to 160	90	10	.067	.076	.072
160 to 170	92	10	.122	.123	.123
170 to 180	63	3	.419	.427	.423
	74	99	.100	.098	.099

* Select grade is the average of Adanac and Loring assay results

ADANAC PROJECT

COINCIDENT DIAMOND DRILLING RESULTS

00-4N RAISE

HOLE NO. 00-4N

Year drilled: 1969
Core size: NQ
Sample size: split NQ core
Assaying: Coast Eldridge and Amax assaying on pulps prepared by C.E.; Loring assaying on pulps prepared by them from the split core rejects
Coincident footage: from 57 to 183 feet

Interval	% Core Recovery	Coincident Footage	% MoS_2 Content C. E.	Amax	Loring	Select*
50 to 60	78	3	.020	-	.025	.025
60 to 70	74	10	.070	-	.057	.057
70 to 80	82	10	.100	-	.102	.102
80 to 90	99	10	.400	.386	.357	.357
90 to 100	90	10	.580	.560	.382	.382
100 to 110	96	10	.230	.208	.180	.180
110 to 120	97	10	.220	.196	.178	.178
120 to 130	89	10	.210	.192	.154	.154
130 to 140	92	10	.680	.680	.705	.705
140 to 150	89	10	.410	.384	.315	.315
150 to 160	96	10	.220	.188	.154	.154
160 to 170	99	10	.140	.124	.133	.133
170 to 180	99	10	.230	.204	.214	.214
180 to 190	99	3	.040	-	.440	.440
	92	126	.278	.263**	.244	.244

* Select assay is drawn from Loring results

** Coast Eldridge assays used where Amax not available

Note:
Amax assays were run on pulps prepared by Coast Eldridge.

ADANAC PROJECT

COINCIDENT DIAMOND DRILLING RESULTS

00-8N RAISE

HOLE NO. 00-8N

Year drilled: 1969
Core size: NQ
Sample size: Split NQ core
Assaying: First half core by Coast Eldridge, Metallurgical Lab and Loring each preparing individual pulps. Second half core by Adanac and Loring on separate pulps, both of which were prepared by Adanac.
Coincident footage: from 96 to 291 feet

Sample Interval	% Core Recovery	Coincident Footage	% MoS_2 Content					
			First Half Core			Second Half Core		Combined
			C.E.	M.L.	Loring	Adanac	Loring	Select*
90-100	59	4	.020	.050	.010	.042	.012	.019
100-110	62	10	.150	.224	.135	.206	.189	.166
110-120	28	10	.140	.170	.139	.105	.106	.122
120-130	71	10	.060	.052	.056**	.036	.034	.046
130-140	43	10	.140	.100	.176	.116	.112	.145
140-150	88	10	.020	.025	.025	.028	.024	.026
150-160	68	10	.020	.029	.024	.047	.036	.033
160-170	96	10	.060	.085	.073**	.083	.089	.080
170-180	96	10	.130	.284	.169	.245	.273	.214
180-190	94	10	.130	.100	.158	.163	.182	.165
190-200	93	10	.380	.095	.180	.083	.095	.135
200-210	93	10	.070	.335	.116	.083	.085	.100
210-220	73	10	.030	.030	.026	.078	.079	.052
220-230	81	10	.100	.070	.093	.121	.126	.108
230-240	100	10	.190	.095	.100	.055	.093	.087
240-250	93	10	.110	.050	.139	.192	.156	.157
250-260	100	10	.280	.085	.483	.628	.590	.546
260-270	86	10	.590	.102	.487	.218	.208	.350
270-280	58	10	.330	.078	.340	.524	.483	.422
280-290	79	10	.110	.038	.071	.043	.049	.059
290-300	97	1	.110	.055	.154	.104	.112	.131
	79	195	.157	.106	.154	.161	.155	.156

*Select assay is average of first and second half, using Loring results for first half grade and combined Loring and Adanac for second half grade

**Average of Coast Eldridge and Metallurgical Lab assay used as reject was not available for reassay by Loring.

ADANAC PROJECT

COINCIDENT DIAMOND DRILLING RESULTS

2W-2N RAISE

HOLE NO. 2W-2N

Year drilled:	1969
Core size:	NQ -
Sample size:	total NQ core
Assaying:	by Coast Eldridge and by Loring who prepared their own pulps from the sample rejects
Coincident footage:	from 45 to 187 feet

Sample Interval	% Core Recovery	Coincident Footage	% MoS_2 Content		
			C.E.	Loring	Select*
40 to 50	75	5	.010	.006	.006
50 to 60	80	10	.015	.018	.018
60 to 70	83	10	.010	.006	.006
70 to 80	66	10	.010	.009	.009
80 to 90	88	10	.050	.097	.097
90 to 100	73	10	.040	.042	.042
100 to 110	31	10	.120	.154	.154
110 to 120	88	10	.420	.340	.340
120 to 130	87	10	.530	.630	.630
130 to 140	48	10	.210	.282	.282
140 to 150	47	10	.080	.076	.076
150 to 160	84	10	.370	.527	.527
160 to 170	75	10	.200	.189	.189
170 to 180	36	10	.190	.228	.228
180 to 190	79	7	.350	.359	.359
	69	142	.176	.201	.201

* Select grade is drawn from Loring results

ADANAC PROJECT

COINCIDENT DIAMOND DRILLING RESULTS

2E-2N RAISE

HOLE NO. 2E-2N

Year drilled:	1969
Core size:	NQ
Sample size:	Split NQ core
Assaying:	By Coast Eldridge, followed by Loring who prepared new pulps from the sample rejects
Coincident footage:	from 64 to 138 feet

Sample Interval	% Core Recovery	Coincident Footage	% MoS_2 Content: First half core C.E.	First half core Loring	Second half core C.E.	Second half core Loring	Combined Select*
60- 70	93	6	.080	-	.180	.124	.102**
70- 80	80	10	.100	-	.190	.104	.102**
80- 90	95	10	.360	-	.230	.230	.295**
90-100	100	10	.170	-	.170	.145	.158**
100-110	99	10	.060	.095	.180	.051	.073
110-120	94	10	.045	.059	.060	.072	.066
120-130	90	10	.035	.066	.080	.176	.121
130-140	99	8	.340	.675	.170	.071	.373
	94	74	.147	.194**	.156	.123	.159**

* Select grade is the average grade of the first and second half core as assayed by Loring

** Coast Eldridge assays used where Loring results are not available

ADANAC PROJECT

COINCIDENT DIAMOND DRILLING RESULTS

4E-2N RAISE

HOLE NO. 4E-2N

Year drilled:	1969
Core size:	NQ
Sample size:	total NQ core
Assaying:	by Coast Eldridge and Loring with Loring preparing new pulps from the core sample rejects
Coincident footage:	from 102 to 130 feet

Sample Interval	% Core Recovery	Coincident Footage	% MoS_2 Content		
			C. E.	Loring	Select*
100 to 110		8	.070	.076	.076
110 to 120		10	.040	.031	.031
120 to 130		10	.040	.027	.027
		28	.049	.042	.042

* Select grade is drawn from Loring assay results

SUBSECTION VIII-6

ADANAC PROJECT

COMPLETE RAISE BULK SAMPLING DATA AND THE SOURCE OF THE SELECT ASSAY GRADE

ADANAC PROJECT

BULK SAMPLE ASSAY RESULTS

00 - 00 RAISE

Sample No.	Footage	Loring % MoS_2	Mine % MoS_2	Mine Rerun % MoS_2	Select % MoS_2
7001	10	.124	.122	-	.123
7002	8	.163	.165	-	.164
7003	8	.067	.065	-	.066
7004	8	.203	.219	-	.211
7005	10	.118	.112	-	.115
7006	7	.070	.071	-	.071
7007	7	.048	.052	-	.050
7008	7	.035	.045	.039	.040
7009	7	.110	.115	-	.113
7010	6	.019*	.029	.025	.027
7011	11	.062	.073	-	.068
7012	8	.061	.023*	.080	.071
7013	10	.012	.090*	.018	.015
	107	.085	.093		.088

* Value not used in obtaining Select grade

ADANAC PROJECT

BULK SAMPLE ASSAY RESULTS

00 - 1N RAISE

Sample No.	Footage	Loring % MoS_2	Mine % MoS_2	Mine Rerun % MoS_2	Select % MoS_2
9001	10	.137	.137	-	.137
9002	8	.185	.188	-	.187
9003	8	.203	.185	-	.194
9004	6	.165	.156	-	.161
9005	7	.262	.244	-	.253
9006	6	.300	.313	-	.307
9007	7	.141	.142	-	.142
9008	6	.039	.047	-	.043
9009	9	.043	.057	-	.050
9010	9	.042	.057	-	.050
9011	9	.046	.055	-	.051
9012	9	.034	.043	-	.039
9013	8	.051	.064	-	.058
	102	.120	.123		.122

ADANAC PROJECT

BULK SAMPLE ASSAY RESULTS

0 - 2N RAISE

Sample No.	Footage	Loring % MoS_2	Mine % MoS_2	Mine Rerun % MoS_2	Select % MoS_2
4004	6	.309	.309	-	.309
4005	6	.214	.213	-	.214
4006	8	.327	.319	-	.323
4007	8	.284	.278	-	.281
4008	8	.230	.223	-	.227
4009	10	.253	.248	-	.251
4010	8	.124	.123	-	.124
2010	10	.055	.060	-	.058
4012	8	.097	.103	-	.100
2013	8	.046	.053	-	.050
4014	10	.104	.103	-	.104
4015	9	.137	.145	-	.141
	99	.175	.175		.175

ADANAC PROJECT

BULK SAMPLE ASSAY RESULTS

00 - 4N RAISE

Sample No.	Footage	Loring % MoS_2	Mine % MoS_2	Mine Rerun % MoS_2	Select % MoS_2
2001	7	.273	.294	-	.284
2002	7	.284	.305	-	.295
2003	6	.228	.255	-	.242
2004	7	.163	.176	-	.170
2005	7	.223	.217	-	.220
2006	8	.355	.344	-	.350
4003	9	.543	.590	-	.567
2007	8	.560	.617	-	.589
2008	8	.309	.324	-	.317
2009	6	.176	.171	-	.174
4011	8	.256	.254	-	.255
2011	7	.198	.204	-	.201
2012	10	.238	.239	-	.239
N.S.*	8	-	-	-	-
4013	10	.318	.324	-	.321
2014	10	.167	.163	-	.165
	126	.291	.303		.298

* No sample available, average grade applied

ADANAC PROJECT

BULK SAMPLE ASSAY RESULTS

00 - 8N RAISE

Sample No.	Footage	Loring % MoS_2	Mine % MoS_2	Mine Rerun % MoS_2	Select % MoS_2
1001	10	.143	.153	-	.148
1002	7	.206	.185	.213	.201
1003	8	.154	.147	-	.151
1004	7	.306	.316	-	.311
1005	7	.120	.114	-	.117
1006	7	.137	.130	-	.134
1007	8	.137	.138	-	.138
1008	7	.114	.108	-	.111
1009	9	.180	.171	-	.176
1010	8	.178	.185	-	.182
1011	8	.118	.107	-	.113
1012	8	.122	.127	-	.125
1013	8	.176	.178	-	.177
1014	8	.141	.137	-	.139
1015	8	.176	.178	-	.177
1016	8	.133	.138	-	.136
1017	8	.178	.194	-	.186
1018	7	.099	.099	-	.099
1019	8	.116	.124	-	.120
1020	9	.133	.148	-	.141
1021	9	.122	.120	-	.121
1022	10	.110	.126	-	.118
1023	10	.059	.062	-	.061
1024	8	.185	.191	-	.188
	195	.146	.148		.147

ADANAC PROJECT

BULK SAMPLE ASSAY RESULTS

2W - 2N RAISE

Sample No.	Footage	Loring % MoS_2	Mine % MoS_2	Mine Rerun % MoS_2	Select % MoS_2
3001	10	.160	.173	-	.167
3002	6	.191	.211	-	.201
3003	8	.182	.198	-	.190
3004	7	.160	.166	-	.163
3005	10	.169	.185	-	.177
3006	8	.256	.266	-	.261
3007	10	.343	.401	.385	.376
3008	7	.303	.345	.349	.332
3009	6	.163	.177	.192	.177
3010	9	.141	.169	.171	.160
3011	10	.035*	.056	.057	.057
3012	9	.073	.087	.089	.083
3013	8	.056	.066	.075	.066
3014	10	.049*	.059	.062	.061
3015	9	.060	.073	.072	.068
3016	7	.075	.085	-	.080
3017	8	.046	.054	-	.050
	142	.143	.161		.155

* Value not used in obtaining Select grade

ADANAC PROJECT

BULK SAMPLE ASSAY RESULTS

2E - 2N RAISE

Sample No.	Footage	Loring % MoS_2	Mine % MoS_2	Mine Rerun % MoS_2	Select % MoS_2
6001	10	.327	.351	-	.339
6002	8	.321	.340	-	.331
6003	8	.137	.144	-	.141
6004	7	.218	.236	-	.227
6005	7	.189	.198	-	.194
6006	8	.206	.226	-	.216
6007	8	.241	.259	-	.250
6008	8	.145	.163	-	.154
6009	10	.185	.200	-	.193
	74	.221	.238		.230

ADANAC PROJECT

BULK SAMPLE ASSAY RESULTS

4E - 2N RAISE

Sample No.	Footage	Loring % MoS_2	Mine % MoS_2	Mine Rerun % MoS_2	Select % MoS_2
5001	10	.072	.067	-	.070
5002	8	.128	.134	-	.131
5003	10	.120	.119	-	.120
	28	.105	.105		.105

SUBSECTION VIII-7

ADANAC PROJECT

DETAIL OF BULK SAMPLING-DRILL HOLE

GRADE COMPARISON

DISCUSSION

This subsection shows the detailed comparison of the coincident bulk sampling and diamond drill core values.

Two summary tables have been included. The first summary on the following page compares the bulk sampling to diamond drilling using an average of the Loring and mine lab results as a basis for the comparison. It shows that the average bulk sample grade was 17% higher than the coincident drill core grade.

The second summary table uses only Loring Laboratory assays throughout for the same comparison. When only Loring results are used the overall apparent adjustment is reduced to +15%.

ADANAC PROJECT

BULK SAMPLING - DIAMOND DRILL HOLE

GRADE COMPARISON SUMMARY

Raise Number	Coincident Footage	Bulk Sample Average % MoS_2	Drill Core Average % MoS_2	% Difference Bulks/Core
00-00	107	.088	.053	+ 66
00-1N	102	.122	.075	+ 63
00-2N	99	.175	.099	+ 77
00-4N	126	.298	.244	+ 22
00-8N	195	.147	.156	- 6
2W-2N	142	.155	.201	- 23
2E-2N	74	.230	.159	+ 45
4E-2N	28	.105	.042	+150
	873	.169	.144	+ 17

ADANAC PROJECT

BULK SAMPLING - DIAMOND DRILL HOLE

GRADE COMPARISON SUMMARY

USING ONLY LORING LABORATORY

ASSAY RESULTS THROUGHOUT

Raise Number	Coincident Footage	Bulk Sample Average % MoS_2	Drill Core Average % MoS_2	% Difference Bulks/Core
00-00	107	.085	.053	+ 60
00-1N	102	.120	.073	+ 64
00-2N	99	.175	.098	+ 79
00-4N	126	.291	.244	+ 19
00-8N	195	.146	.155	- 6
2W-2N	142	.143	.201	- 29
2E-2N	74	.221	.159	+ 39
4E-2N	28	.105	.042	+150
	873	.164	.143	+ 15

ADANAC PROJECT

COMPARATIVE DRILL CORE AND BULK SAMPLE GRADE

HOLE NO. 00-00

Sample Interval	% Core Recovery	Coincident Footage	Drill Core Select Grade	Bulk Sample Select Grade	% Difference Bulks/Core
44- 50	84	6	.019	.015	- 21
50- 60	51	10	.010	.048	+ 380
60- 70	86	10	.009	.069	+ 667
70- 80	54	10	.012	.048	+ 300
80- 90	49	10	.007	.084	+1100
90-100	45	10	.033	.047	+ 42
100-110	61	10	.118	.084	- 29
110-120	86	10	.084	.144	+ 71
120-130	96	10	.086	.139	+ 62
130-140	93	10	.076	.135	+ 78
140-150	100	10	.110	.127	+ 15
150-151	86	1	.118	.123	+ 4
44-151	73	107	.053	.088	+ 66

ADANAC PROJECT

COMPARATIVE DRILL CORE AND BULK SAMPLE GRADE

HOLE NO. 00-1N

Sample Interval	% Core Recovery	Coincident Footage	Drill Core Select Grade	Bulk Sample Select Grade	% Difference Bulks/Core
57- 60	94	3	.008	.058	+ 625
60- 70	47	10	.010	.049	+ 390
70- 80	39	10	.015	.046	+ 207
80- 90	70	10	.008	.050	+ 525
90-100	87	10	.009	.050	+ 456
100-110	34	10	.008	.073	+ 813
110-120	53	10	.027	.241	+ 793
120-130	100	10	.150	.255	+ 70
130-140	47	10	.064	.184	+ 188
140-150	57	10	.211	.183	- 13
150-159	45	9	.293	.137	- 53
57-159	59	102	.075	.122	+ 63

ADANAC PROJECT

COMPARATIVE DRILL CORE AND BULK SAMPLE GRADE

HOLE NO. 00-2N

Sample Interval	% Core Recovery	Coincident Footage	Drill Core Select Grade	Bulk Sample Select Grade	% Difference Bulks/Core
74- 80	62	6	.035	.141	+ 303
80- 90	45	10	.006	.115	+1817
90-100	61	10	.009	.066	+ 633
100-110	59	10	.006	.091	+1417
110-120	85	10	.081	.065	- 20
120-130	83	10	.132	.162	+ 23
130-140	50	10	.299	.244	- 18
140-150	83	10	.103	.254	+ 146
150-160	90	10	.072	.310	+ 318
160-170	92	10	.123	.253	+ 106
170-173	63	3	.423	.309	- 27
74-173	74	99	.099	.175	+ 77

ADANAC PROJECT

COMPARATIVE DRILL CORE AND BULK SAMPLE GRADE

HOLE NO. 00-4N

Sample Interval	% Core Recovery	Coincident Footage	Drill Core Select Grade	Bulk Sample Select Grade	% Difference Bulks/Core
57- 60	78	3	.025	.165	+ 560
60- 70	74	10	.057	.212	+ 272
70- 80	82	10	.102	.314	+ 208
80- 90	99	10	.357	.269	- 25
90-100	90	10	.382	.220	- 42
100-110	96	10	.180	.244	+ 36
110-120	97	10	.178	.231	+ 30
120-130	89	10	.154	.480	+ 212
130-140	92	10	.705	.571	- 19
140-150	89	10	.315	.359	+ 14
150-160	96	10	.154	.200	+ 30
160-170	99	10	.133	.226	+ 70
170-180	99	10	.214	.291	+ 36
180-183	99	3	.440	.284	- 35
57-183	92	126	.244	.298	+ 22

ADANAC PROJECT

COMPARATIVE DRILL CORE AND BULK SAMPLE GRADE

HOLE NO. 00-8N

Sample Interval	% Core Recovery	Coincident Footage	Drill Core Select Grade	Bulk Sample Select Grade	% Difference Bulks/Core
96-100	59	4	.019	.188	+ 889
100-110	62	10	.166	.112	- 33
110-120	28	10	.122	.095	- 22
120-130	71	10	.046	.120	+ 161
130-140	43	10	.145	.135	- 7
140-150	88	10	.026	.124	+ 377
150-160	68	10	.033	.125	+ 278
160-170	96	10	.080	.161	+ 101
170-180	96	10	.214	.165	- 23
180-190	94	10	.165	.147	- 11
190-200	93	10	.135	.161	+ 19
200-210	93	10	.100	.119	+ 19
210-220	73	10	.052	.161	+ 210
220-230	81	10	.108	.177	+ 64
230-240	100	10	.087	.119	+ 37
240-250	93	10	.157	.136	- 13
250-260	100	10	.546	.140	- 74
260-270	86	10	.350	.247	- 29
270-280	58	10	.422	.181	- 57
280-290	79	10	.059	.153	+ 159
290-291	97	1	.131	.148	+ 13
96-291	79	195	.156	.147	- 6

ADANAC PROJECT

COMPARATIVE DRILL CORE AND BULK SAMPLE GRADE

HOLE NO. 2W-2N

Sample Interval	% Core Recovery	Coincident Footage	Drill Core Select Grade	Bulk Sample Select Grade	% Difference Bulks/Core
45- 50	75	5	.006	.050	+ 733
50- 60	80	10	.018	.071	+ 294
60- 70	83	10	.006	.067	+1017
70- 80	66	10	.009	.062	+ 589
80- 90	88	10	.097	.071	- 27
90-100	73	10	.042	.073	+ 74
100-110	31	10	.154	.098	- 36
110-120	88	10	.340	.169	- 50
120-130	87	10	.630	.325	- 48
130-140	48	10	.282	.353	+ 25
140-150	47	10	.076	.227	+ 199
150-160	84	10	.527	.171	- 67
160-170	75	10	.189	.182	- 4
170-180	36	10	.228	.190	- 17
180-187	79	7	.359	.167	- 53
45-187	69	142	.201	.155	- 23

ADANAC PROJECT

COMPARATIVE DRILL CORE AND BULK SAMPLE GRADE

HOLE NO. 2E-2N

Sample Interval	% Core Recovery	Coincident Footage	Drill Core Select Grade	Bulk Sample Select Grade	% Difference Bulks/Core
64- 70	93	6	.102	.193	+ 89
70- 80	80	10	.102	.170	+ 67
80- 90	95	10	.295	.230	- 22
90-100	100	10	.158	.212	+ 34
100-110	99	10	.073	.211	+189
110-120	94	10	.066	.158	+139
120-130	90	10	.121	.333	+175
130-138	90	8	.373	.339	- 9
64-138	94	74	.159	.230	+ 45

ADANAC PROJECT

COMPARATIVE DRILL CORE AND BULK SAMPLE GRADE

HOLE NO. 4E-2N

Sample Interval	% Core Recovery	Coincident Footage	Drill Core Select Grade	Bulk Sample Select Grade	% Difference Bulks/Core
102-110	-	8	.076	.120	+ 58
110-120	-	10	.031	.129	+ 316
120-130	-	10	.027	.070	+ 159
102-130	-	28	.042	.105	+ 150

SUBSECTION VIII-8

ADANAC PROJECT

COMPARISON OF DRILL CORE AND BULK SAMPLE GRADE USING INDIVIDUAL TEN-FOOT SECTIONS OVER VARIOUS GRADE RANGES

DISCUSSION

This subsection provides detail of a direct comparison between the grade of individual 10-foot sections of drill core and coincident bulk sampling. It also combines the comparative data according to specific grade intervals.

The statistical analysis illustrates quite emphatically that an across-the-board adjustment would be unjustified and erroneous when dealing with individual 10-foot sections of core. It also shows that a very wide range of adjustments is encountered within similar grade ranges. The above mentioned observations take note of the erratic character of the deposit and hence the unreliable nature of any sample which provides a limited amount of rock for analysis.

It is our opinion that a more reliable estimate of the grade can be obtained from a reserve calculation method which allows a degree of influence from surrounding assay data points, prior to an adjustment, rather than adjusting individual assay results. A high grade assay surrounded by other high grade assays is, in all probability, legitimate, while an isolated high grade assay is more likely to represent one small high grade vein rather than a high grade reserve block.

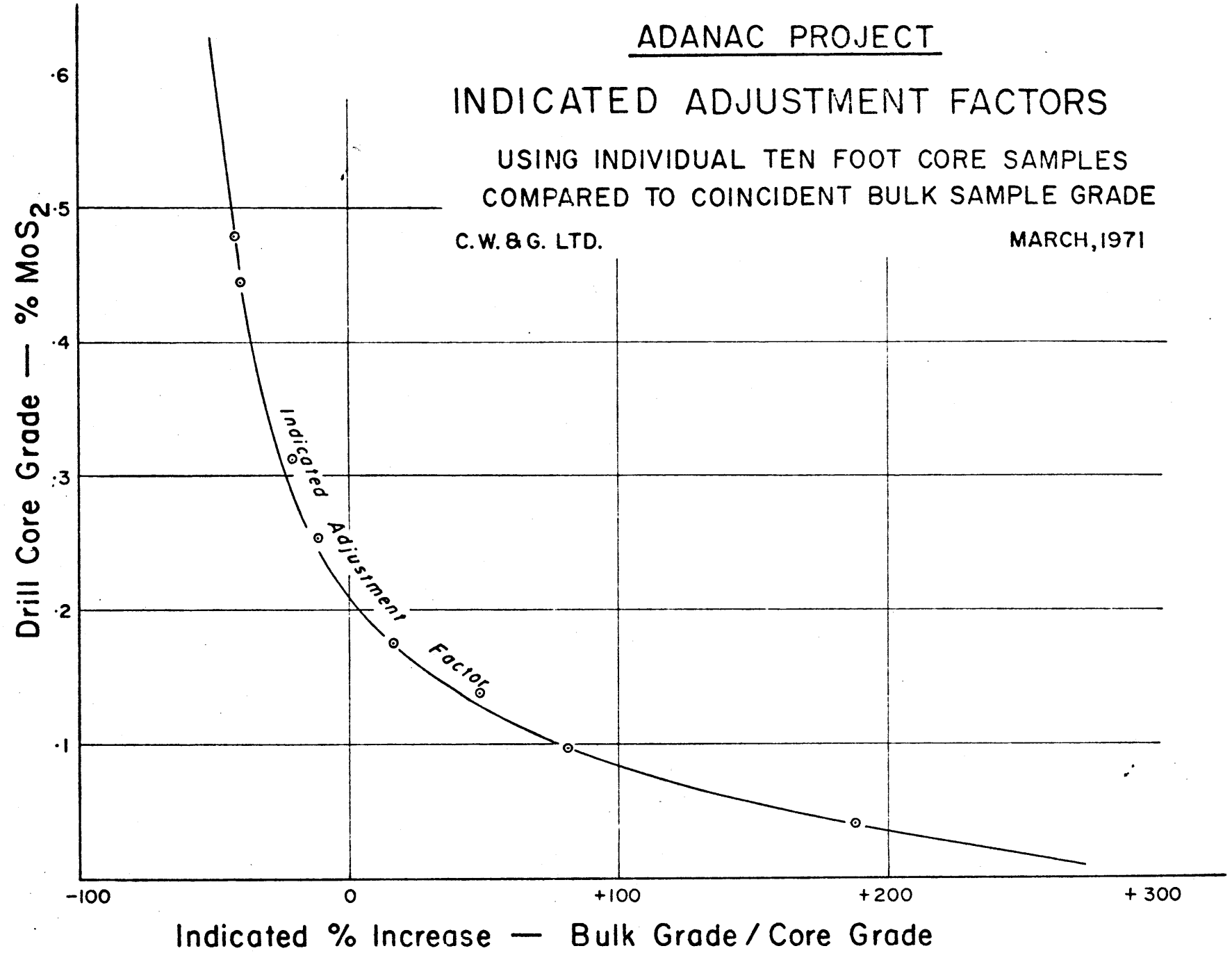
The results of the underground bulk sampling and mapping indicate that grade trends are more consistent in the horizontal than in the vertical direction. This feature is apparently due to the strongest fracture system having a nearly horizontal attitude.

A separate section deals with the comparison of results when the influence of surrounding holes is used. It shows the resultant grade to compare much more favourably with the bulk sample grade than do individual drill core assay results.

ADANAC PROJECT

SUMMARY OF COMPARATIVE DRILL CORE AND
BULK SAMPLE GRADE IN VARIOUS GRADE RANGES

Grade Range $\%MoS_2$	Coincident Footage	Drill Core Select Grade	Bulk Sample Select Grade	% Difference Bulk/ Core
.00 to .05	257	.018	.085	+372
.00 to .10	425	.040	.115	+188
.05 to .15	316	.097	.176	+ 81
.10 to .20	248	.139	.199	+ 48
.15 to .25	140	.180	.205	+ 14
.20 to .30	79	.254	.225	- 11
.25 to .35	69	.311	.250	- 20
.30 & up	121	.445	.266	- 40
.35 & up	91	.481	.268	- 44
	1746	.144	.169	+ 17


ADANAC PROJECT
INDICATED ADJUSTMENT FACTORS
USING INDIVIDUAL TEN FOOT CORE SAMPLES
COMPARED TO COINCIDENT BULK SAMPLE GRADE
C.W.&G. LTD.
MARCH, 1971
Drill Core Grade — % MoS2
·6
·5
·4
·3
·2
·1
Indicated Adjustment Factor
-100
0
+100
+200
+300
Indicated % Increase — Bulk Grade / Core Grade

ADANAC PROJECT

COMPARATIVE DRILL CORE AND BULK SAMPLE GRADE

.00 to .05% MoS_2 GRADE RANGE

Hole Number	Sample Interval	Coincident Footage	Drill Core Select Grade	Bulk Sample Select Grade	% Difference Bulks/Core
00-00	44-50	6	.019	.015	- 21
	50-60	10	.010	.048	+ 380
	60-70	10	.009	.069	+ 667
	70-80	10	.012	.048	+ 300
	80-90	10	.007	.084	+1100
	90-100	10	.033	.047	+ 42
00-1N	57-60	3	.008	.058	+ 625
	60-70	10	.010	.049	+ 390
	70-80	10	.015	.046	+ 207
	80-90	10	.008	.050	+ 525
	90-100	10	.009	.050	+ 456
	100-110	10	.008	.073	+ 813
	110-120	10	.027	.241	+ 793
00-2N	74-80	6	.035	.141	+ 303
	80-90	10	.006	.115	+1817
	90-100	10	.009	.066	+ 633
	100-110	10	.006	.091	+1417
00-4N	57-60	3	.025	.165	+ 560
00-8N	96-100	4	.019	.188	+ 889
	120-130	10	.046	.120	+ 161
	140-150	10	.026	.124	+ 377
	150-160	10	.033	.125	+ 278
2W-2N	45-50	5	.006	.050	+ 733
	50-60	10	.018	.071	+ 294
	60-70	10	.006	.067	+1017
	70-80	10	.009	.062	+ 589
	90-100	10	.042	.073	+ 74
4E-2N	110-120	10	.031	.129	+ 316
	120-130	10	.027	.070	+ 159
		257	.018	.085	+ 372

ADANAC PROJECT

COMPARATIVE DRILL CORE AND BULK SAMPLE GRADE

.00 to .10% MoS_2 GRADE RANGE

Hole Number	Sample Interval	Coincident Footage	Drill Core Select Grade	Bulk Sample Select Grade	% Difference Bulks/Core
00-00	44-50	6	.019	.015	- 21
	50-60	10	.010	.048	+ 380
	60-70	10	.009	.069	+ 667
	70-80	10	.012	.048	+ 300
	80-90	10	.007	.084	+1100
	90-100	10	.033	.047	+ 42
	110-120	10	.084	.144	+ 71
	120-130	10	.086	.139	+ 62
	130-140	10	.076	.135	+ 78
00-1N	57-60	3	.008	.058	+ 625
	60-70	10	.010	.049	+ 390
	70-80	10	.015	.046	+ 207
	80-90	10	.008	.050	+ 525
	90-100	10	.009	.050	+ 456
	100-110	10	.008	.073	+ 813
	110-120	10	.027	.241	+ 793
	130-140	10	.064	.184	+ 188
00-2N	74-80	6	.035	.141	+ 303
	80-90	10	.006	.115	+1817
	90-100	10	.009	.066	+ 633
	100-110	10	.006	.091	+1417
	110-120	10	.081	.065	- 20
	150-160	10	.072	.310	+ 318
00-4N	57-60	3	.025	.165	+ 560
	60-70	10	.057	.212	+ 272
00-8N	96-100	4	.019	.188	+ 889
	120-130	10	.046	.120	+ 161
	140-150	10	.026	.124	+ 377
	150-160	10	.033	.125	+ 278
	160-170	10	.080	.161	+ 101
	200-210	10	.100	.119	+ 19
	210-220	10	.052	.161	+ 210
	230-240	10	.087	.119	+ 37
	280-290	10	.059	.153	+ 159

.00 to .10% MoS_2 Grade Range Cont'd

Hole Number	Sample Interval	Coincident Footage	Drill Core Select Grade	Bulk Sample Select Grade	% Difference Bulks/Core
2W-2N	45-50	5	.006	.050	+ 733
	50-60	10	.018	.071	+ 294
	60-70	10	.006	.067	+1017
	70-80	10	.009	.062	+ 589
	80-90	10	.097	.071	- 27
	90-100	10	.042	.073	+ 74
	140-150	10	.076	.227	+ 199
2E-2N	100-110	10	.073	.211	+ 189
	110-120	10	.066	.158	+ 139
4E-2N	102-110	8	.076	.120	+ 58
	110-120	10	.031	.129	+ 316
	120-130	10	.027	.070	+ 159
		425	.040	.115	+ 188

ADANAC PROJECT

COMPARATIVE DRILL CORE AND BULK SAMPLE GRADE

.05 to .15% MoS_2 GRADE RANGE

Hole Number	Sample Interval	Coincident Footage	Drill Core Select Grade	Bulk Sample Select Grade	% Difference Bulks/Core
00-00	100-110	10	.118	.084	- 29
	110-120	10	.084	.144	+ 71
	120-130	10	.086	.139	+ 62
	130-140	10	.076	.135	+ 78
	140-150	10	.110	.127	+ 15
	150-160	1	.118	.123	+ 4
00-1N	120-130	10	.150	.255	+ 70
	130-140	10	.064	.184	+ 188
00-2N	110-120	10	.081	.065	- 20
	120-130	10	.132	.162	+ 23
	140-150	10	.103	.254	+ 146
	150-160	10	.072	.310	+ 318
	160-170	10	.123	.253	+ 106
00-4N	60-70	10	.057	.212	+ 272
	70-80	10	.102	.314	+ 208
	160-170	10	.133	.226	+ 70
00-8N	110-120	10	.122	.095	- 22
	130-140	10	.145	.135	- 7
	160-170	10	.080	.161	+ 101
	190-200	10	.135	.161	+ 19
	200-210	10	.100	.119	+ 19
	210-220	10	.052	.161	+ 210
	220-230	10	.108	.177	+ 64
	230-240	10	.087	.119	+ 37
	280-290	10	.059	.153	+ 159
	290-291	1	.131	.148	+ 13
2W-2N	80-90	10	.097	.071	- 27
	140-150	10	.076	.227	+ 199
2E-2N	64-70	6	.102	.193	+ 89
	70-80	10	.102	.170	+ 67
	100-110	10	.073	.211	+ 189
	110-120	10	.066	.158	+ 139

.05 to .15% MoS_2 Grade Range Cont'd

Hole Number	Sample Interval	Coincident Footage	Drill Core Select Grade	Bulk Sample Select Grade	% Difference Bulks/Core
2E-2N	120-130	10	.121	.333	+ 175
4E-2N	102-110	8	.076	.120	+ 58
		316	.097	.176	+ 81

ADANAC PROJECT

COMPARATIVE DRILL CORE AND BULK SAMPLE GRADE

.10 to .20% MoS_2 GRADE RANGE

Hole Number	Sample Interval	Coincident Footage	Drill Core Select Grade	Bulk Sample Select Grade	% Difference Bulks/Core
00-00	100-110	10	.118	.084	- 29
	140-150	10	.110	.127	+ 15
	150-151	1	.118	.123	+ 4
00-1N	120-130	10	.150	.255	+ 70
00-2N	120-130	10	.132	.162	+ 23
	140-150	10	.103	.254	+146
	160-170	10	.123	.253	+106
00-4N	70-80	10	.102	.314	+208
	100-110	10	.180	.244	+ 36
	110-120	10	.178	.231	+ 30
	120-130	10	.154	.480	+212
	150-160	10	.154	.200	+ 30
	160-170	10	.133	.226	+ 70
00-8N	100-110	10	.166	.112	- 33
	110-120	10	.122	.095	- 22
	130-140	10	.145	.135	- 7
	180-190	10	.165	.147	- 11
	190-200	10	.135	.161	+ 19
	220-230	10	.108	.177	+ 64
	240-250	10	.157	.136	- 13
	290-291	1	.131	.148	+ 13
2W-2N	100-110	10	.154	.098	- 36
	160-170	10	.189	.182	- 4
2E-2N	64-70	6	.102	.193	+ 89
	70-80	10	.102	.170	+ 67
	90-100	10	.158	.212	+ 34
	120-130	10	.121	.333	+175
		248	.139	.199	+ 48

ADANAC PROJECT

COMPARATIVE DRILL CORE AND BULK SAMPLE GRADE

.15 to .25% MoS_2 GRADE RANGE

Hole Number	Sample Interval	Coincident Footage	Drill Core Select Grade	Bulk Sample Select Grade	% Difference Bulks/Core
00-1N	140-150	10	.211	.183	- 13
00-4N	100-110	10	.180	.244	+ 36
	110-120	10	.178	.231	+ 30
	120-130	10	.154	.480	+212
	150-160	10	.154	.200	+ 30
	170-180	10	.214	.291	+ 36
00-8N	100-110	10	.166	.112	- 33
	170-180	10	.214	.165	- 23
	180-190	10	.165	.147	- 11
	240-250	10	.157	.136	- 13
2W-2N	100-110	10	.154	.098	- 36
	160-170	10	.189	.182	- 4
	170-180	10	.228	.190	- 17
2E-2N	90-100	10	.158	.212	+ 34
		140	.180	.205	+ 14

ADANAC PROJECT

COMPARATIVE DRILL CORE AND BULK SAMPLE GRADE

.20 to .30% MoS_3 GRADE RANGE

Hole Number	Sample Interval	Coincident Footage	Drill Core Select Grade	Bulk Sample Select Grade	% Difference Bulks/Core
00-1N	140-150	10	.211	.183	-13
	150-159	9	.293	.137	-53
00-2N	130-140	10	.299	.244	-18
00-4N	170-180	10	.214	.291	+36
00-8N	170-180	10	.214	.165	-23
2W-2N	130-140	10	.282	.353	+25
	170-180	10	.228	.190	-17
2E-2N	80-90	10	.295	.230	-22
		79	.254	.225	-11

ADANAC PROJECT

COMPARATIVE DRILL CORE AND BULK SAMPLE GRADE

.25 to .35% MoS_2 GRADE RANGE

Hole Number	Sample Interval	Coincident Footage	Drill Core Select Grade	Bulk Sample Select Grade	% Difference Bulks/Core
00-1N	150-159	9	.293	.137	-53
00-2N	130-140	10	.299	.244	-18
00-4N	140-150	10	.315	.359	+14
00-8N	260-270	10	.350	.247	-29
2W-2N	110-120	10	.340	.169	-50
	130-140	10	.282	.353	+25
2E-2N	80-90	10	.295	.230	-22
		69	.311	.250	-20

ADANAC PROJECT

COMPARATIVE DRILL CORE AND BULK SAMPLE GRADE

.30% MoS_2 & Up GRADE RANGE

Hole Number	Sample Interval	Coincident Footage	Drill Core Select Grade	Bulk Sample Select Grade	% Difference Bulks/Core
00-4N	140-150	10	.315	.359	+14
00-8N	260-270	10	.350	.247	-29
2W-2N	110-120	10	.340	.169	-50
00-2N	170-173	3	.423	.309	-27
00-4N	80-90	10	.357	.269	-25
	90-100	10	.382	.220	-42
	130-140	10	.705	.571	-19
	180-183	3	.440	.284	-35
00-8N	250-260	10	.546	.140	-74
	270-280	10	.422	.181	-57
2W-2N	120-130	10	.630	.325	-48
	150-160	10	.527	.171	-67
	180-187	7	.359	.167	-53
2E-2N	130-138	8	.373	.339	- 9
		121	.445	.266	-40

ADANAC PROJECT

COMPARATIVE DRILL CORE AND BULK SAMPLE GRADE

.35% MoS_2 & Up GRADE RANGE

Number	Interval	Coincident Footage	Drill Core Select Grade	Bulk Sample Select Grade	% Difference Bulks/Core
00- 2N	170-173	3	.423	.309	- 27
00- 4N	80-90	10	.357	.269	- 25
	90-100	10	.382	.220	- 42
	130-140	10	.705	.571	- 19
	180-183	3	.440	.284	- 35
00- 8N	250-260	10	.546	.140	- 74
	270-280	10	.422	.181	- 57
2W-2N	120-130	10	.630	.325	- 48
	150-160	10	.527	.171	- 67
	180-187	7	.359	.167	- 53
2E- 2N	130-138	8	.373	.339	- 9
		91	.481	.268	- 44

SUBSECTION VIII-9

ADANAC PROJECT

COMPARISON OF DRILL CORE AND BULK SAMPLE GRADE USING 40 FOOT BENCH INTERVALS OVER VARIOUS GRADE RANGES

DISCUSSION

Subsection VIII-9 shows the detailed comparison of diamond drilling and coincident bulk sampling when combined into 40 foot bench intervals. The data has been grouped into various grade ranges.

The comparative grades shown are a direct comparison between the bulk sample grade and the corresponding diamond drill grade over the same interval. Coincident footages of less than 40 feet result from partial intervals at the top or bottom of the raises.

A large number of comparable results are desirable in order to provide a meaningful curve. To increase the amount of comparable results and to make full use of all available data, the 40 foot bench interval was adjusted in the vertical direction ten feet at a time, and thus increased the comparable results four-fold.

The comparative results have been grouped according to their drill core grade range, the summary of which is shown on the following page. The comparative grades shown in the summary have been plotted on a graph to form the basis for the "Variable Adjustment Curve".

The specific adjustments as indicated by the "Variable Adjustment Curve" and as used for the "Variable Adjustment" reserve estimate are shown on pages A-50 to A-53 of this table.

ADANAC PROJECT

SUMMARY OF COMPARATIVE DRILL CORE AND BULK

SAMPLE GRADE IN VARIOUS GRADE RANGES

OVER 40 FOOT BENCH INTERVALS

Grade Range $\%MoS_2$	Coincident Footage	Drill Core Select Grade	Bulk Sample Select Grade	% Difference Bulk/Core
.00 to .05	813	.021	.077	+267
.00 to .10	1392	.045	.101	+124
.05 to .15	1230	.100	.157	+ 57
.10 to .20	1038	.141	.191	+ 35
.15 to .25	693	.191	.207	+ 8
.20 to .30	575	.246	.204	- 17
.25 to .35	566	.279	.252	- 15
.30 & up	418	.341	.284	- 17
.35 & up	141	.369	.233	- 37

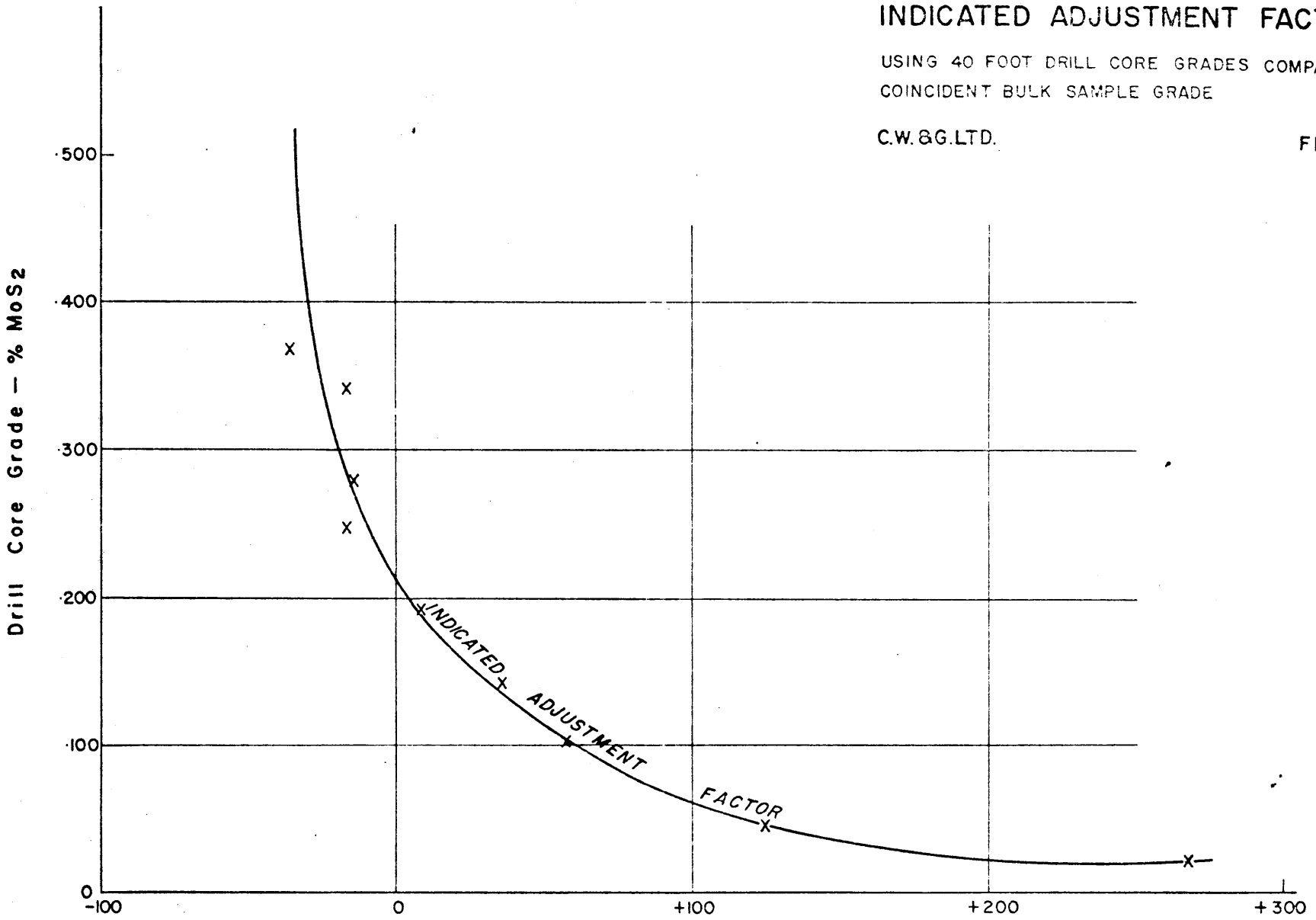
ADANAC PROJECT

INDICATED ADJUSTMENT FACTORS

USING 40 FOOT DRILL CORE GRADES COMPARED TO COINCIDENT BULK SAMPLE GRADE

C.W.&G.LTD.

FEB., 1971.



ADANAC PROJECT

BENCH GRADE ADJUSTMENTS

VARIABLE ADJUSTMENT METHOD

Core Grade	Adjusted Grade	Core Grade	Adjusted Grade	Core Grade	Adjusted Grade
.010	.040	.046	.105	.082	.146
.011	.043	.047	.106	.083	.147
.012	.045	.048	.108	.084	.148
.013	.047	.049	.109	.085	.149
.014	.049	.050	.111	.086	.150
.015	.051	.051	.112	.087	.151
.016	.053	.052	.113	.088	.152
.017	.055	.053	.115	.089	.153
.018	.057	.054	.116	.090	.153
.019	.059	.055	.117	.091	.154
.020	.061	.056	.119	.092	.155
.021	.063	.057	.120	.093	.156
.022	.065	.058	.121	.094	.156
.023	.067	.059	.122	.095	.157
.024	.069	.060	.123	.096	.158
.025	.071	.061	.124	.097	.159
.026	.072	.062	.126	.098	.160
.027	.074	.063	.127	.099	.161
.028	.076	.064	.128	.100	.161
.029	.078	.065	.129	.101	.162
.030	.079	.066	.130	.102	.163
.031	.081	.067	.131	.103	.163
.032	.083	.068	.132	.104	.164
.033	.084	.069	.133	.105	.165
.034	.086	.070	.134	.106	.165
.035	.088	.071	.135	.107	.166
.036	.089	.072	.136	.108	.167
.037	.091	.073	.137	.109	.167
.038	.093	.074	.138	.110	.168
.039	.094	.075	.139	.111	.168
.040	.096	.076	.140	.112	.169
.041	.097	.077	.141	.113	.170
.042	.099	.078	.142	.114	.171
.043	.100	.079	.143	.115	.171
.044	.102	.080	.144	.116	.172
.045	.103	.081	.145	.117	.172

Core Grade	Adjusted Grade	Core Grade	Adjusted Grade	Core Grade	Adjusted Grade
.118	.173	.162	.196	.206	.212
.119	.173	.163	.197	.207	.212
.120	.174	.164	.197	.208	.213
.121	.174	.165	.197	.209	.213
.122	.175	.166	.198	.210	.213
.123	.175	.167	.198	.211	.214
.124	.176	.168	.199	.212	.214
.125	.177	.169	.199	.213	.214
.126	.177	.170	.199	.214	.215
.127	.178	.171	.200	.215	.215
.128	.179	.172	.200	.216	.215
.129	.179	.173	.201	.217	.215
.130	.180	.174	.201	.218	.216
.131	.180	.175	.201	.219	.216
.132	.181	.176	.202	.220	.216
.133	.182	.177	.202	.221	.217
.134	.182	.178	.203	.222	.217
.135	.183	.179	.203	.223	.217
.136	.183	.180	.203	.224	.217
.137	.184	.181	.204	.225	.218
.138	.184	.182	.204	.226	.218
.139	.185	.183	.205	.227	.218
.140	.185	.184	.205	.228	.219
.141	.186	.185	.205	.229	.219
.142	.186	.186	.206	.230	.219
.143	.187	.187	.206	.231	.219
.144	.187	.188	.206	.232	.220
.145	.188	.189	.207	.233	.220
.146	.188	.190	.207	.234	.220
.147	.189	.191	.207	.235	.221
.148	.189	.192	.208	.236	.221
.149	.190	.193	.208	.237	.221
.150	.190	.194	.208	.238	.222
.151	.191	.195	.209	.239	.222
.152	.191	.196	.209	.240	.222
.153	.192	.197	.209	.241	.222
.154	.192	.198	.210	.242	.223
.155	.193	.199	.210	.243	.223
.156	.193	.200	.210	.244	.223
.157	.194	.201	.211	.245	.224
.158	.194	.202	.211	.246	.224
.159	.195	.203	.211	.247	.224
.160	.195	.204	.212	.248	.224
.161	.196	.205	.212	.249	.225

Core Grade	Adjusted Grade	Core Grade	Adjusted Grade	Core Grade	Adjusted Grade
.250	.225	.294	.238	.339	.255
.251	.225	.295	.239	.340	.256
.252	.226	.296	.239	.341	.256
.253	.226	.297	.239	.342	.257
.254	.226	.298	.240	.343	.257
.255	.226	.299	.240	.344	.258
.256	.227	.300	.240	.345	.258
.257	.227	.301	.241	.346	.258
.258	.227	.302	.241	.347	.259
.259	.228	.303	.241	.348	.259
.260	.228	.304	.242	.349	.260
.261	.228	.305	.242	.350	.260
.262	.228	.306	.242	.351	.260
.263	.229	.307	.243	.352	.261
.264	.229	.308	.243	.353	.261
.265	.229	.309	.243	.354	.262
.266	.230	.310	.244	.355	.262
.267	.230	.311	.244	.356	.263
.268	.230	.312	.244	.357	.263
.269	.231	.313	.245	.358	.263
.270	.231	.314	.246	.359	.264
.271	.231	.316	.246	.360	.264
.272	.231	.317	.246	.361	.264
.273	.232	.318	.247	.362	.265
.274	.232	.319	.247	.363	.265
.275	.232	.320	.248	.364	.266
.276	.233	.321	.248	.365	.266
.277	.233	.322	.248	.366	.266
.278	.233	.323	.249	.367	.267
.279	.234	.324	.249	.368	.267
.280	.234	.325	.250	.369	.268
.281	.234	.326	.250	.370	.268
.282	.235	.327	.251	.371	.268
.283	.235	.328	.251	.372	.269
.284	.235	.329	.251	.373	.269
.285	.235	.330	.252	.374	.270
.296	.236	.331	.252	.375	.270
.287	.236	.332	.253	.376	.270
.288	.236	.333	.253	.377	.271
.289	.237	.334	.253	.378	.271
.290	.237	.335	.254	.379	.272
.291	.237	.336	.254	.380	.272
.292	.238	.337	.255	.381	.272
.293	.238	.338	.255	.382	.273

Core Grade	Adjustment Grade
.383	.273
.384	.274
.385	.274
.386	.274
.387	.275
.388	.275
.389	.276
.390	.276
.391	.276
.392	.277
.393	.277
.394	.278
.395	.278
.396	.278
.397	.279
.398	.279
.399	.280
.400	.280
.402	.281
.404	.282
.406	.282
.408	.283
.410	.284
.412	.285
.414	.286
.416	.286
.418	.287
.420	.288
.422	.289
.424	.290
.426	.290
.428	.291
.430	.292
.432	.293
.434	.294
.436	.294
.438	.295
.440	.296
.442	.297
.444	.298
.446	.298
.448	.299
.450	.300
.455	.303

Core Grade	Adjustment Grade
.460	.305
.465	.308
.470	.310
.475	.313
.500	.325
.510	.332
.520	.338
.530	.345
.540	.351
.550	.358
.560	.364
.570	.371
.580	.377
.590	.384
.600	.390
.610	.397
.620	.403
.630	.410
.640	.416
.650	.423
.660	.429
.670	.436
.680	.442
.690	.449
.700	.455
.800	.520
.900	.585
1.000	.650

ADANAC PROJECT

COMPARATIVE DRILL CORE AND BULK SAMPLE GRADE

.00 to .05% MoS_2 GRADE RANGE

Hole Number	Sample Interval	Coincident Footage	Drill Core Select Grade	Bulk Sample Select Grade	% Difference Bulks/Core
00-00	44-50	6	.019	.015	- 21
	50-90	40	.010	.062	+520
	44-60	16	.013	.131	+ 39
	60-100	40	.015	.035	+169
	44-70	26	.012	.048	+300
	70-110	40	.043	.066	+ 55
	44-80	36	.012	.048	+310
00-1N	57-60	3	.008	.058	+625
	60-100	40	.011	.049	+345
	57-70	13	.010	.051	+410
	70-110	40	.010	.055	+450
	57-80	23	.012	.049	+308
	80-120	40	.013	.103	+696
	57-90	33	.011	.049	+359
	90-130	40	.049	.155	+219
00-2N	74-80	6	.035	.141	+303
	80-120	40	.026	.084	+223
	74-90	16	.017	.125	+635
	74-100	26	.014	.102	+629
	74-110	36	.012	.099	+749
00-4N	57-60	3	.025	.165	+560
00-8N	96-100	4	.019	.188	+889
2W-2N	45-50	5	.006	.050	+773
	50-90	40	.033	.068	+106
	45-60	15	.014	.064	+357
	60-100	40	.039	.068	+ 74
	45-70	25	.007	.065	+829
	45-80	35	.010	.064	+540
4E-2N	110-130	20	.029	.100	+245
	120-130	10	.027	.070	+159
	102-130	28	.042	.105	+150
	102-130	28	.042	.105	+150
		813	.021	.077	+267

ADANAC PROJECT

COMPARATIVE DRILL CORE AND BULK SAMPLE GRADE

.00 to .10 GRADE RANGE

Hole Number	Sample Interval	Coincident Footage	Drill Core Select Grade	Bulk Sample Select Grade	% Difference Bulks/Core
00-00	44-50	6	.019	.015	- 21
	50-90	40	.010	.062	+520
	90-130	40	.080	.104	+ 30
	130-151	21	.094	.131	+ 39
	44-60	16	.013	.035	+169
	60-100	40	.015	.062	+313
	100-140	40	.091	.125	+ 37
	44-70	26	.012	.048	+300
	70-110	40	.043	.066	+ 55
	110-150	40	.089	.136	+ 53
	44-80	36	.012	.048	+310
	80-120	40	.061	.090	+ 48
	120-151	31	.092	.133	+ 46
00-1N	57-60	3	.008	.058	+625
	60-100	40	.011	.049	+345
	100-140	40	.062	.188	+203
	57-70	13	.010	.051	+410
	70-110	40	.010	.055	+450
	57-80	23	.012	.049	+308
	80-120	40	.013	.103	+696
	57-90	33	.011	.049	+359
	90-130	40	.049	.155	+219
00-2N	74-80	6	.035	.141	+303
	80-120	40	.026	.084	+223
	74-90	16	.017	.125	+635
	90-130	40	.057	.096	+ 68
	74-100	26	.014	.102	+629
	74-110	36	.012	.099	+749
00-4N	57-60	3	.025	.165	+560
	57-70	13	.050	.201	+302
	57-80	23	.072	.250	+247
00-8N	96-100	4	.019	.188	+889
	190-230	40	.099	.155	+ 57
	110-150	40	.085	.119	+ 40
	120-160	40	.063	.126	+102
	200-240	40	.087	.144	+ 66
	280-291	11	.066	.153	+132
	130-170	40	.071	.136	+ 91

.00 to .10% MoS_2 Grade Range cont'd

Hole Number	Sample Interval	Coincident Footage	Drill Core Select Grade	Bulk Sample Select Grade	% Difference Bulks/Core
2W-2N	45-50	5	.006	.050	+773
	50-90	40	.033	.068	+106
	45-60	15	.014	.064	+357
	60-100	14	.039	.068	+ 74
	45-70	25	.007	.065	+829
	70-110	40	.076	.076	-
	45-80	35	.010	.064	+540
4E-2N	102-110	8	.076	.120	+ 58
	110-130	20	.029	.100	+245
	102-120	18	.051	.125	+145
	120-130	10	.027	.070	+159
	102-130	28	.042	.105	+150
	102-130	28	.042	.105	+150
		1392	.045	.101	+124

ADANAC PROJECT

COMPARATIVE DRILL CORE AND BULK SAMPLE GRADE

.05 to .15% MoS_2 GRADE RANGE

Hole Number	Sample Interval	Coincident Footage	Drill Core Select Grade	Bulk Sample Select Grade	% Difference Bulks/Core
00-00	90-130	40	.080	.104	+ 30
	130-151	21	.094	.131	+ 39
	100-140	40	.091	.125	+ 37
	140-151	11	.111	.127	+ 14
	110-150	40	.089	.136	+ 53
	150-151	1	.118	.123	+ 4
	80-120	40	.061	.090	+ 48
	120-151	31	.092	.133	+ 46
00-1N	100-140	40	.062	.188	+230
	110-150	40	.113	.216	+ 91
00-2N	90-130	40	.057	.096	+ 68
	130-170	40	.149	.265	+ 78
	110-140	40	.130	.141	+ 8
	140-173	33	.129	.276	+114
	150-173	23	.140	.285	+104
00-4N	57-70	13	.050	.201	+302
	57-80	23	.072	.250	+247
	57-90	33	.128	.256	+ 99
00-8N	100-140	40	.112	.115	+ 3
	140-180	40	.088	.144	+ 64
	180-220	40	.113	.147	+ 30
	96-110	14	.124	.134	+ 8
	110-150	40	.085	.119	+ 40
	150-190	40	.123	.150	+ 22
	190-230	40	.099	.155	+ 57
	96-120	24	.123	.118	- 4
	120-160	40	.063	.126	+102
	160-200	40	.149	.159	+ 7
	200-240	40	.087	.144	+ 66
	96-130	34	.101	.118	+ 18
	130-170	40	.071	.136	+ 91
	210-250	40	.101	.148	+ 47
	290-291	1	.131	.148	+ 13

.05 to .15% MoS_2 Grade Range cont'd

Hole Number	Sample Interval	Coincident Footage	Drill Core Select Grade	Bulk Sample Select Grade	% Difference Bulks/Core
2W-2N	70-110	40	.076	.076	0
2E-2N	64-70	6	.102	.193	+ 89
	64-80	16	.102	.179	+ 75
	80-120	40	.148	.203	+ 37
	90-130	40	.105	.229	+119
4E-2N	102-110	8	.076	.120	+ 58
	102-120	18	.051	.125	+145
		1230	.100	.157	+ 57

ADANAC PROJECT

COMPARATIVE DRILL CORE AND BULK SAMPLE GRADE

.10 to .20% MoS_2 GRADE RANGE

Hole Number	Sample Interval	Coincident Footage	Drill Core Select Grade	Bulk Sample Select Grade	% Difference Bulks/Core
00-00	140-151	11	.111	.127	+ 14
	150-151	1	.118	.123	+ 4
00-1N	110-150	40	.113	.216	+ 91
	120-159	39	.177	.191	+ 8
	130-159	29	.186	.169	- 9
00-2N	120-160	40	.151	.243	+ 61
	160-173	13	.192	.266	+ 39
	130-170	40	.149	.265	+ 78
	110-140	40	.130	.141	+ 8
	140-173	33	.129	.276	+114
	110-150	40	.154	.181	+ 18
	150-173	23	.140	.285	+104
00-4N	150-183	33	.192	.243	+ 27
	57-90	33	.128	.256	+ 99
00-8N	100-140	40	.112	.115	+ 3
	180-220	40	.113	.147	+ 30
	96-110	14	.124	.134	+ 8
	150-190	40	.123	.150	+ 22
	96-120	24	.123	.118	- 4
	160-200	40	.149	.159	+ 7
	96-130	34	.101	.118	+ 18
	170-210	40	.154	.148	- 4
	210-250	40	.101	.148	+ 47
	290-291	1	.131	.148	+ 13
2W-2N	80-120	40	.158	.103	- 35
2E-2N	64-70	6	.102	.193	+ 89
	70-110	40	.157	.206	+ 31
	110-138	28	.173	.272	+ 57
	64-80	16	.102	.179	+ 75
	80-120	40	.148	.203	+ 37
	64-90	26	.176	.198	+ 13
	90-130	40	.105	.229	+119

.10 to .20% MoS_2 Grade Range cont'd

Hole Number	Sample Interval	Coincident Footage	Drill Core Select Grade	Bulk Sample Select Grade	% Difference Bulks/Core
2E-2N	64-100	36	.171	.202	+ 18
	100-138	38	.147	.256	+ 74
		1038	.141	.191	+ 35

ADANAC PROJECT

COMPARATIVE DRILL CORE AND BULK SAMPLE GRADE

.15 to .25% MoS_2 GRADE RANGE

Hole Number	Sample Interval	Coincident Range	Drill Core Select Grade	Bulk Sample Select Grade	% Difference Bulks/Core
00-1N	120-159	39	.177	.191	+ 8
	130-159	29	.186	.169	- 9
00-2N	120-160	40	.151	.243	+ 61
	160-173	13	.192	.266	+ 39
	110-150	40	.154	.181	+ 18
00-4N	60-100	40	.225	.254	+ 13
	140-180	40	.204	.269	+ 32
	150-183	33	.192	.243	+ 27
	160-183	23	.208	.262	+ 26
	90-130	40	.224	.294	+ 31
00-8N	220-260	40	.224	.143	- 36
	270-291	21	.235	.166	- 29
	170-210	40	.154	.148	- 4
2W-2N	90-130	40	.224	.166	- 26
	80-120	40	.158	.103	- 35
	160-187	27	.248	.181	- 27
2E-2N	70-110	40	.157	.206	+ 31
	110-138	28	.173	.272	+ 57
	120-138	18	.233	.336	+ 44
	64-90	26	.176	.198	+ 13
	64-100	36	.171	.202	+ 18
		693	.191	.207	+ 8

ADANAC PROJECT

COMPARATIVE DRILL CORE AND BULK SAMPLE GRADE

.20 to .30% MoS_2 GRADE RANGE

Hole Number	Sample Interval	Coincident Footage	Drill Core Select Grade	Bulk Sample Select Grade	% Difference Bulks/Core
00-1N	140-159	19	.250	.161	- 36
	150-159	9	.293	.137	- 53
00-4N	60-100	40	.225	.254	+ 13
	140-180	40	.204	.269	+ 32
	70-110	40	.255	.262	+ 3
	80-120	40	.274	.241	- 12
	160-183	23	.208	.262	+ 26
	90-130	40	.224	.294	+ 31
	170-183	13	.266	.289	+ 9
00-8N	220-260	40	.224	.143	- 36
	260-291	31	.272	.192	- 29
	230-270	40	.285	.161	- 44
	270-291	21	.235	.166	- 29
2W-2N	90-130	40	.224	.166	- 26
	130-170	40	.268	.233	- 13
	170-187	17	.282	.180	- 36
	140-180	40	.255	.193	- 24
	160-187	27	.248	.181	- 27
2E-2N	120-138	18	.233	.336	+ 44
		578	.246	.204	- 17

ADANAC PROJECT

COMPARATIVE DRILL CORE AND BULK SAMPLE GRADE

.25 to .35% MoS_2 GRADE RANGE

Hole Number	Sample Interval	Coincident Footage	Drill Core Select Grade	Bulk Sample Select Grade	% Difference Bulks/Core
00-1N	140-159	19	.250	.161	- 36
	150-159	9	.293	.137	- 53
00-4N	100-140	40	.304	.382	+ 26
	70-110	40	.255	.262	+ 3
	110-150	40	.338	.410	+ 21
	80-120	40	.274	.241	- 12
	120-160	40	.332	.402	+ 21
	130-170	40	.327	.339	+ 4
	170-183	13	.266	.289	+ 9
00-8N	260-291	31	.272	.192	- 29
	230-270	40	.285	.161	- 44
	250-290	40	.344	.180	- 48
2W-2N	130-170	40	.268	.233	- 13
	170-187	17	.282	.180	- 36
	140-180	40	.255	.193	- 24
	110-150	40	.332	.269	- 19
	150-187	37	.307	.178	- 42
		566	.297	.252	- 15

ADANAC PROJECT

COMPARATIVE DRILL CORE AND BULK SAMPLE GRADE

.30% & Up MoS_2 GRADE RANGE

Hole Number	Sample Interval	Coincident Footage	Drill Core Select Grade	Bulk Sample Select Grade	% Difference Bulks/Core
00-2N	170-173	3	.423	.309	- 27
00-4N	100-140	40	.304	.382	+ 26
	180-183	3	.440	.284	- 35
	110-150	40	.338	.410	+ 21
	120-160	40	.332	.402	+ 21
	130-170	40	.327	.339	+ 4
00-8N	240-280	40	.369	.176	- 52
	250-290	40	.344	.180	- 48
2W-2N	100-140	40	.351	.236	- 33
	180-187	7	.359	.167	- 53
	110-150	40	.332	.269	- 19
	150=187	37	.307	.178	- 42
	120-160	40	.379	.269	- 29
2E-2N	130-138	8	.373	.339	- 9
		418	.341	.284	- 17

ADANAC PROJECT

COMPARATIVE DRILL CORE AND BULK SAMPLE GRADE

.35% & Up MoS_2 GRADE RANGE

Hole Number	Sample Interval	Coincident Footage	Drill Core Select Grade	Bulk Sample Select Grade	% Difference Bulks/Core
00-2N	170=173	3	.423	.309	- 27
00-4N	180-183	3	.440	.284	- 35
00-8N	240-280	40	.369	.176	- 52
2W-2N	180-187	7	.359	.167	- 53
	100-140	40	.351	.236	- 33
	120-160	40	.379	.269	- 29
2E-2N	130-138	8	.373	.339	- 9
		141	.369	.233	- 37

SUBSECTION VIII-10

ADAN AC PROJECT

A COMPARISON OF DRILL CORE AND BULK SAMPLE GRADE RELATIVE TO CORE RECOVERIES

DISCUSSION

A brief study has been made in an effort to determine if a relationship exists between the percent core recovery and the amount of grade adjustment required to make the drill core grade equal the bulk sample grade.

It had been suggested that the narrow, soft shear zones, which consistently yielded poor core recovery, were highly enriched portions of the deposit. No evidence has been found to support this theory either from the underground mapping and sampling or from this statistical study. The shear zones were found to contain very similar molybdenum content to the wallrocks during the bulk sampling program and as shown in the summary on the following page no direct relationship is evident between the percent core recovery and the adjustment grade required.

In the statistical analysis, comparative drill core grade and the bulk sample grade for each 10-foot core section were tabulated and grouped according to the core recovery obtained. As illustrated in the following tables, all ranges of core recovery included wide ranges in grade and wide ranges in apparent increase of bulk sample grade over core.

ADANAC PROJECT

SUMMARY OF COMPARATIVE DRILL CORE AND
BULK SAMPLE GRADE
RELATIVE TO CORE RECOVERIES

Core Recovery Range	Average Core Recovery	Coincident Footage	Drill Core Select Grade	Bulk Sample Select Grade	% Difference Bulks/Core
< 50%	42%	139	.102	.131	+28
50 to 59%	55%	74	.134	.150	+12
60 to 69%	63%	59	.082	.106	+29
70 to 79%	72%	85	.084	.134	+60
80 to 89%	86%	197	.163	.178	+ 9
90 to 100%	95%	291	.193	.215	+11
	71%	845	.147	.171	+16

* Core recovery for hole 4E-2N is not available. It represents 28 feet of bulk sampling.

ADANAC PROJECT

COMPARATIVE DRILL CORE AND BULK SAMPLE GRADE

LESS THAN 50% CORE RECOVERY

Hole Number	Sample Interval	% Core Recovery	Coincident Footage	Drill Core Select Grade	Bulk Sample Select Grade	% Difference Bulks/Core
00-00	80-90	49	10	.007	.084	+1100
	90-100	45	10	.033	.047	+ 42
00-1N	60-70	47	10	.010	.049	+ 390
	70-80	39	10	.015	.046	+ 207
	100-110	34	10	.008	.073	+ 813
	130-140	47	10	.064	.184	+ 188
	150-159	45	9	.293	.137	- 53
00-2N	80-90	45	10	.006	.115	+1817
00-8N	110-120	28	10	.122	.095	- 22
	130-140	43	10	.145	.135	- 7
2W-2N	100-110	31	10	.154	.098	- 36
	130-140	48	10	.282	.353	+ 25
	140-150	47	10	.076	.227	+ 199
	170-180	36	10	.228	.190	- 17
		42	139	.102	.131	+ 28

ADANAC PROJECT

COMPARATIVE DRILL CORE AND BULK SAMPLE GRADE

50 TO 59% CORE RECOVERY

Hole Number	Sample Interval	% Core Recovery	Coincident Footage	Drill Core Select Grade	Bulk Sample Select Grade	% Difference Bulks/Core
00-00	50-60	51	10	.010	.048	+ 380
	70-80	54	10	.012	.048	+ 300
00-1N	110-120	53	10	.027	.241	+ 793
	140-150	57	10	.211	.183	- 13
00-2N	100-110	59	10	.006	.091	+1417
	130-140	50	10	.299	.244	- 18
00-8N	96-100	59	4	.019	.188	+ 889
	270-280	58	10	.422	.181	- 57
		55	74	.134	.150	+ 12

ADANAC PROJECT

COMPARATIVE DRILL CORE AND BULK SAMPLE GRADE

60 TO 69% CORE RECOVERY

Hole Number	Sample Interval	% Core Recovery	Coincident Footage	Drill Core Select Grade	Bulk Sample Select Grade	% Difference Bulks/Core
00-00	100-110	61	10	.118	.084	- 29
00-2N	74-80	62	6	.035	.141	+303
	90-100	61	10	.009	.066	+633
	170-173	63	3	.423	.309	- 27
00-8N	100-110	62	10	.166	.112	- 33
	150-160	68	10	.033	.125	+278
2W-2N	70-80	66	10	.009	.062	+589
		63	59	.082	.106	+ 29

ADANAC PROJECT

COMPARATIVE DRILL CORE AND BULK SAMPLE GRADE

70 TO 79% CORE RECOVERY

Hole Number	Sample Interval	%Core Recovery	Coincident Footage	Drill Core Select Grade	Bulk Sample Select Grade	% Difference Bulks/Core
00-1N	80-90	70	10	.008	.050	+525
00-4N	57-60	78	3	.025	.165	+560
	60-70	74	10	.057	.212	+272
00-8N	120-130	70	10	.046	.120	+161
	210-220	73	10	.052	.161	+210
	280-290	79	10	.059	.153	+159
2W-2N	45-50	75	5	.006	.050	+733
	90-100	73	10	.042	.073	+ 74
	160-170	75	10	.189	.182	- 4
	180-187	79	7	.359	.167	- 53
		72	85	.084	.134	+ 60

ADANAC PROJECT

COMPARATIVE DRILL CORE AND BULK SAMPLE GRADE

80 TO 89% CORE RECOVERY

Hole Number	Sample Interval	%Core Recovery	Coincident Footage	Drill Core Select Grade	Bulk Sample Select Grade	% Difference Bulks/Core
00-00	44-50	84	6	.019	.015	- 21
	60-70	86	10	.009	.069	+667
	110-120	86	10	.084	.144	+ 71
	150-151	86	1	.118	.123	+ 4
00-1N	90-100	87	10	.009	.050	+456
00-2N	110-120	85	10	.081	.065	- 20
	120-130	83	10	.132	.162	+ 23
	140-150	83	10	.103	.254	+146
00-4N	70-80	82	10	.102	.314	+208
	120-130	89	10	.154	.480	+212
	140-150	89	10	.315	.359	+ 14
00-8N	140-150	89	10	.026	.124	+377
	220-230	81	10	.108	.177	+ 64
	260-270	86	10	.350	.247	- 29
2W-2N	50-60	80	10	.018	.071	+294
	60-70	83	10	.006	.067	+1017
	80-90	88	10	.097	.071	- 27
	110-120	88	10	.340	.169	- 50
	120-130	87	10	.630	.325	- 48
	150-160	84	10	.527	.171	- 68
2E-2N	70-80	80	10	.102	.170	+ 67
		86	197	.163	.178	+ 9

ADANAC PROJECT

COMPARATIVE DRILL CORE AND BULK SAMPLE GRADE

90 TO 100% CORE RECOVERY

Hole Number	Sample Interval	%Core Recovery	Coincident Footage	Drill Core Select Grade	Bulk Sample Select Grade	Bulks/Core
00-00	120-130	96	10	.086	.139	+ 62
	130-140	93	10	.076	.135	+ 78
	140-150	100	10	.110	.127	+ 15
00-1N	57-60	94	3	.008	.058	+625
	120-130	100	10	.150	.255	+ 70
00-2N	150-160	90	10	.072	.310	+318
	160-170	92	10	.123	.253	+106
00-4N	80-90	99	10	.357	.269	- 25
	90-100	90	10	.382	.220	- 42
	100-110	96	10	.180	.244	+ 36
	110-120	97	10	.178	.231	+ 30
	130-140	92	10	.705	.571	- 19
	150-160	96	10	.154	.200	+ 30
	160-170	99	10	.133	.226	+ 70
	170-180	99	10	.214	.291	+ 36
	180-183	99	3	.440	.284	- 35
00-8N	160-170	96	10	.080	.161	+101
	170-180	96	10	.214	.165	- 23
	180-190	94	10	.165	.147	- 11
	190-200	93	10	.135	.161	+ 19
	200-210	93	10	.100	.119	+ 19
	230-240	100	10	.087	.119	+ 37
	240-250	93	10	.157	.136	- 13
	250-260	100	10	.546	.140	- 74
	290-291	97	1	.131	.148	+ 13
2E-2N	64-70	93	6	.102	.193	+ 89
	80-90	95	10	.295	.230	- 22
	90-100	100	10	.158	.212	+ 34
	100-110	99	10	.073	.211	+189
	110-120	94	10	.066	.158	+139
	120-130	90	10	.121	.333	+175
	130-138	90	8	.373	.339	- 9
		95	291	.193	.215	+ 11

SUBSECTION VIII-11

DETAILED GEOLOGIC DRILL LOG

HOLE 2W-2N

DISCUSSION

The detailed log of diamond drill hole 2W-2N is presented on the following pages to show the relationship between the near vertical quartz fractures and the corresponding high assay values. The high assay values resulting from the near vertical fractures were not duplicated by the coincident bulk sampling.

The intervals in question are:

Footage	Drill Core $\%MoS_2$	Bulk Sample $\%MoS_2$
110 to 120	.340	.169
120 to 130	.630	.325
150 to 160	.527	.171
180 to 190	.359	.167
40 feet	.464	.208

Each of these intervals are shown in the drill log to contain one or more mineralized quartz fractures with a dip nearly parallel to the drill core. The dips shown on the drill log are based on visual observations of the drill core.

The presence of stringers running down the drill core would account for the large discrepancy between the drill core and bulk sample grade. The intervals in question must be considered erratics. They may however, legitimately contribute to a total population of comparable results being offset by erratics of the opposite extreme.

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CASING DEPTH ______
GRID ______

HOLE No. 69-2W-2N
SHEET No. 1 Of 2

Location		Bearing		Latitude	
Date Collared		Length	473	Departure	
Date Completed		Dip	-90°	Elevation	
Core Size	NC	Logged by	P.R.J.		
Scale of Log	1" = 10'	Date		Remarks	

Qtz.	Plag.	K-Spar	Mafic	Accessories	Texture	Hardness	Rock Name/Appearance	Graphic Log (Rock Type Alteration, Footage, Structure)	∠ To Core Axis	Width of Vein	Mineralization Fracturing (type)	Envelope (type)	Remarks	Footage Blocks	Specific Gravity	Recovery: Weight in Grams Core %	Recovery: Sludge %	Sample Number Core	Sample Number Sludge	% MoS_2 Core	% MoS_2 Sludge	Estimated Grade
							Qtz. Monzonite high Feld. content. & small aplite veinlets. Blocky 20-30		0°	1"	1 qtz veinlet, no MoS_2 visible in this section		20-30 slightly rusted & oxidized			3,060	No Sample	18963	No Sample	Coring .007	C.E —	
							Qtz. Monzonite as above. Blocky 30-40		0° 45°	1/16" 1/16"	2 qtz veinlets, no MoS_2 visible in this section		30-40 as above			10,276	"	18964	"	.006	—	
							Qtz. Monzonite (as above). Blocky 40-50		20° 20° 0° 20° 45°	1/16" 1" 1/8" 1/16" 1/16"	few qtz. veinlets, no MoS_2 visible		40-50 as above			10,140	4	18965	4	.006	—	.050
							Qtz. Monzonite 6" aplite @ 56½. Blocky 50-60		20° 20° 20°	1/16 hairline	few qtz. veinlets 2 w/ visible MoS_2 no other MoS_2 visible		50-60 as above			11,134	96	18966	19357	.018	.020	.071
							Qtz. Monzonite 1½' aplite @ 11/. [illegible]		70° [illegible] 20° 20°	hairline hairline [illegible]	few qtz veinlets no MoS_2 visible		60-70 as above			11,587	41	18967	19368	.006	.040	.067
							[illegible]		[illegible] 75° 70°	1/16" 1/2"	[illegible] visible		70-80 as above			[illegible]	[illegible]	[illegible]	[illegible]	.009	.030	.062

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ADANAC MINING & EXPLORATION LTD.

CASING DEPTH ____________ HOLE No. 69-2W-2N

GRID ____________ SHEET No. 2 Of ____

Location ____ Bearing ____ Latitude ____ Core Size ____ Logged by M.K.S.

Date Collared ____ Length ____ Departure ____ Scale of Log ____ Date ____

Date Completed ____ Dip ____ Elevation ____ Remarks ____

ROCK TYPES & ALTERATION								GRAPHIC LOG			MINERALIZATION & STRUCTURES							RECOVERY		ASSAY RESULTS				
																		Weight in Grams		Sample Number		% MoS_2		Bulk Sample Estimated Grade
Qtz.	Plag.	K-Spar	Mafic	Accessories	Texture	Numbers	Rock Name/Appearance	Rock Type Alteration	Footage	Structure	∠ To Core Axis	Width of Vein	Mineralization Fracturing (type)	Gangue (type)	Remarks	Footage Marks	Specific Gravity	Core %	Sludge %	Core	Sludge	Core (Combined)	Sludge	
							Qtz Monzonite Blocky 80-90				45°, 45°, 20°, 45°, 30°, 0°, 70° 45°, 70° 75°	1/8", 1/8", 1/4", 1/2", 1", 1/16", 1/16", 1/16"	qtz veinlets 2 w/ visible MoS_2, no other MoS_2 visible		80-90			12,261	155	18969	19390	.097	.030	.071
							Qtz. Monzonite Blocky 90-100				20° 45°, 30°	hairline, hairline	few visible veinlets 1 w/ visible MoS_2, no other MoS_2 visible.		90-100 no core 98-100 rusty			10,245	239	18970	19391	.042	.020	.073
							Qtz. Monzonite (aplite section 103-105 ?) Blocky 100-110		103 105 108		20° 70°, 75°	1/16"	few visible qtz veinlets, 2 w/ visible MoS_2, no other MoS_2 visible		100-110 no core 100-103 105-108.			9338	145	18971	19392	.154	.040	.098
							Qtz Monzonite Blocky 110-120				20°, 20°, 45°, 70°, 70°, 80°, 80°	1/4", 1/4", 1/8", 1/8" hairline, 1/8", 1/4"	qtz veinlets all w/ good visible MoS_2, no dissem. MoS_2 visible		110-120			12,317	101	18972	19393	.340	.740	.169
							Qtz Monzonite strongly [illegible]				90° ? 10°, 20°	hairline, 1/8", 1/16"	few visible veinlets all w/ visible MoS_2, 1 minor visible [illegible] MoS_2		120-130			12,156	224	18973	19394	.630	.640	.325
							Qtz Mon[illegible]				75° [illegible] 10° ?	1/16" 1/4", 1/16", hairline, 1/4"	few [illegible] visible MoS_2 + visible dissem. MoS_2		130-140			[illegible]	[illegible]	18974	19395	282	.350	.353

ADANAC MINING & EXPLORATION LTD.

CASING DEPTH ______
GRID ______

HOLE No. 69-2W-2N
SHEET No. 3 Of ______

Location ______ Bearing ______ Latitude ______ Core Size ______ Logged by PPS
Date Collared ______ Length ______ Departure ______ Scale of Log ______ Date ______
Date Completed ______ Dip ______ Elevation ______ Remarks ______

Qtz.	Plag.	K-Spar	Mafic	Accessory	Texture	Hardness	Rock Name/Appearance	Rock Type	Alteration	Footage	Structure	∠ To Core Axis	Width of Vein	Mineralization Pockets (type)	Envelope (type)	Remarks	Footage Blocks	Specific Gravity	Recovery: Core Weight in Grams	Recovery: Sludge Weight in Grams	Sample Number: Core	Sample Number: Sludge	% MoS_2 Core	% MoS_2 Sludge	Estimated Grade
							Qtz. Monzonite (badly weathered) (altered) Blocky 140-150					?	?	no qtz veinlets or MoS_2 visible in this section		140 - 150			6605	215	18975	19396	.076	.750	.227
							Qtz. Monzonite (as above) Blocky 150-160					80°, 70°, 20°, 70°, 90°, 20°	hairline, hairline, hairline, 1/8" hairline, hairline	qtz veinlets all w/ good visible MoS_2, no disseminated MoS_2 visible		150 - 160			11,770	239	19526	19397	.527	.530	.171
							Qtz. Monzonite (badly weathered) (altered) aplite section @ low end. Blocky 160-170					45°, 45°, 45°, 45°, 45°	hairline, hairline, 1/16" hairline	few veinlets visible, most w/ visible MoS_2, no other MoS_2 visible		160-170 Arsenic			15,521	170	19527	19398	.189	.220	.182
							Aplite 170-173. Qtz. Monzonite 173-180 badly weathered. Blocky 170-180					20°, ?, 20°, 45°	1/16", ?, 1/16" hairline	few visible veinlets, all w/ visible MoS_2, no other MoS_2 visible		170-180 core ground 170-175.			5057	576	19528	19399	.228	.290	.190
							Qtz. Monzonite 180-185 aplite 185- [illegible]					45° [illegible]	1/16" hairline, hairline [illegible]	few visible veinlets most w/ visible MoS_2, no other MoS_2 visible		180-190 Fluorite. Pyrite.			11,571	144	19529	19400	.359	.160	.167
							[illegible]					[illegible] 45° [illegible]	1/16", hairline, 1/2", 1/16"	[illegible] other MoS_2 visible		190-200			13,192	145	19530	19426	.384	.190	

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ADANAC MINING & EXPLORATION LTD.

CASING DEPTH ______________
GRID ______________

HOLE No. 69-3?-2N
SHEET No. 4 Of ____

Location ____ Bearing ____ Latitude ____ Core Size ____ Logged by KKJ
Date Collared ____ Length ____ Departure ____ Scale of Log ____ Date ____
Date Completed ____ Dip ____ Elevation ____ Remarks ____

ROCK TYPES & ALTERATION								GRAPHIC LOG			MINERALIZATION & STRUCTURES							RECOVERY		ASSAY RESULTS				
Qtz	Plag	K-spar	Mafic	Accessories	Texture	Hardness	Rock Name/Appearance	Rock Type Alteration	Footage	Structure	∠ To Core Axis	Width of Vein	Mineralization Banding (type)	Breccia (type)	Remarks	Footage Blocks	Specific Gravity	Weight in Grams Core %	Weight in Grams Sludge %	Sample Number Core	Sample Number Sludge	% MoS_2 Core	% MoS_2 Sludge	Estimated Grade
							Aplite (fine grain qtz + Feld). slightly blocky				70° 20° 70 20° 20° 30° 20° 45° 20° 20° 30° 45° 70° 45° 70°	1/16 - 1/8" 1/16" hairline 1/4" 1/8" 1" 1/8 - 1/4" 1/4" hairline 1/8"	qtz veinlets (as above when shown) most w/ visible MoS_2, no dissem. MoS_2 visible		200 - 210			13,795	34	19531	19427	.267	.120	
							Aplite (as above). slightly blocky				70° 85° 20° 45° 90° 70° 45° 20° 20° 45° 20° 45° 35° 20°	1/16" hairline 1/16" 1/16" 1/16 - 1/16" 1/16 - 1/8" 1/4" 1/16"	as above		210 - 220			13,481	71	19532	19428	.458	.110	
							Aplite (as above) (close to Alaskite). slightly blocky				45° 70° 20° 15° 20° 20° 45° 20° 20° 70° 70° 20° 20° 45°	1/2" 1/8" 1/16" 1/8" 1/16" 1/8" 1/16" 1/16" 1/16"	as above,		220 - 230.			19,030	95	19533	19429	.172	.100	
							Aplite (as above) 230 - 238. Qtz Monzonite + Aplite (Alaskite) 238 - 240. slightly blocky				45° 20° 70° 20° 20° 30° 20° 20°	1/16" 1/16" hairline hairline 1/16" 1/8" hairline hairline	qtz veinlets, some w/ visible MoS_2, no dissem. MoS_2 visible.		230 - 240			13,376	70	19534	19430	.118	.090	
							Qtz Monzonite. (some aplite sect.) slightly blocky				45° 30° 45° 70° 45°	1/16" 1/4" 1/16" 1/4" 1/16"	qtz veinlets, some w/ MoS_2 visible. no dissem. MoS_2 visible ?		240 - 250			12,835	27	19535	19431	.063	.120	
							Qtz Monzonite 250 - 255 Alaskite 255 - 260 weathered.				45° 10° 45° 20° 15°	hairline hairline hairline hairline	qtz veinlets, some w/ visible MoS_2 + very minor dissemin. MoS_2 visible		250 - 260			13,??1	25	19536	19432	.046	.330	

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ADANAC MINING & EXPLORATION LTD.

CASING DEPTH ______
GRID ______

HOLE No. 10-201-2N(?)
SHEET No. 5 Of ______

Location ______ Bearing ______ Latitude ______ Core Size ______ Logged by [illegible]
Date Collared ______ Length ______ Departure ______ Scale of Log ______ Date ______
Date Completed ______ Dip ______ Elevation ______ Remarks ______

ROCK TYPES & ALTERATION								GRAPHIC LOG			MINERALIZATION & STRUCTURES							RECOVERY (Weight in Grams)		ASSAY RESULTS (Sample Number)		% MoS_2		
Qtz.	Mag.	K-Spar	Mafic	Accessories	Texture	Numbers	Rock Name/Appearance	Rock Type Alteration	Footage	Structure	∠ To Core Axis	Width of Vein	Mineralization Parting (type)	Envelope (type)	Remarks	Footage Blocks	Specific Gravity	Core %	Sludge %	Core	Sludge	Core	Sludge (Combined)	Estimated Grade
							Alaskite (as [illegible] sugary matrix, mafics, qtz eyes) … blocky [illegible]				20°, 45°, 45° 20°, 45°, 45° 20°, 45°, 45°, 45°, 20°	1/16", hairline 1/16, hairline, 1/16", 1/16", 1/16", hairline 1/16"	qtz veinlets, some w/ visible MoS_2, no dissem. MoS_2 visible		260-270 Fluorite			13,099	11	19537	19433	.104	.220	
							Alaskite (as above) (aplite sections) … very blocky [illegible]				20°, 70° 45°, 45° ?, 70° ?, 20°, 70° 45° 20°, 70° 20°	1/8" hairline, hairline, 1/16", 1/16", hairline, hairline	qtz veinlets (?) [illegible] V's not exact as shown because of blocky ground, most w/ visible MoS_2, no dissem. MoS_2 visible		270-280			13,847	16	19538	19434	.178	.180	
							Alaskite (as above) (no solid core veinlet attitude & location uncertain) … very blocky [illegible]				20°, 20°, 90°, 20°, 20°, 45°	1/16" - 1/16", 1/16" 1/16", 1/16", 1/16"	few qtz veinlets visible all w/ visible MoS_2, no disseminated MoS_2 visible		280-290 oxidation prod. visible			9386	106	19539	19435	.104	.130	
							Alaskite … very blocky 293-296		293 296		70° 20°, 20° 45°, 20° 45°, 0°, 75° 45°, 70° 70°, 70° 40°	1/16" 1/16" 1/16", 1/8" 1/16" 1/16", 1/2" 1/16", 1/4", 1/16", 1/8" 1/16", 1/16" 1/16"	qtz veinlets, some w/ visible MoS_2, no other visible MoS_2		290-300			11,534	60	19540	19436	.102	.250	
							Alaskite (as 260-270) (fewer qtz eyes) … [illegible]				[illegible], 70°, 20°, 40°, [illegible]	1/16", 1/16", 1/16" 1/16", 1/16", 1/16"	few qtz veinlets, some w/ visible MoS_2, minor disseminated MoS_2		300-310 Fluorite			13,610	79	19541	19437	.059	.370	
							Alaskite.				20° 20°, 45°, 45°, 15°, 70°, 20° 45°, 20°	1/16" 1/16" 1/16", 1/8" 1/16", 1/16", 1/16", 1/16", 1/16"	qtz veinlets, some w/ visible MoS_2, no disseminated MoS_2 visible		310-320			12,66[illegible]	64	195[illegible]	19[illegible]	.102	.230	

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CASING DEPTH ____________
GRID ____________

HOLE No. 69-2W-2N
SHEET No. 6 Of ____

Location ______ Bearing ______ Latitude ______ Core Size ______ Logged by R R J.
Date Collared ______ Length ______ Departure ______ Scale of Log ______ Date ______
Date Completed ______ Dip ______ Elevation ______ Remarks ______

ROCK TYPES & ALTERATION								GRAPHIC LOG			MINERALIZATION & STRUCTURES							RECOVERY		ASSAY RESULTS				
Qtz.	Plag.	K-Spar	Mafic	Accessories	Texture	Hardness	Rock Name/ Appearance	Rock Type Alteration	Footage	Structure	∠ To Core Axis	Width of Vein	Mineralization Ranking (Input)	Boundary (Input)	Remarks	Footage Blocks	Specific Gravity	Weight in Grams Core %	Weight in Grams Sludge %	Sample Number Core	Sample Number Sludge	% MoS_2 Core	% MoS_2 Sludge	Estimated Grade
							Alaskite; slightly Blocky				10°, 20°; 20° 70°; 20° 45°, 20; 20° 45°; 200 100°; 20° 35°; 20°; 30°; 35° [illegible]	1/16"; 1/16" 1/4"; 1/16"; 1/16" 1/16"; 1/16"; 1/16"; 1/16"	qtz veinlets most w/ visible MoS_2 no disseminated MoS_2 visible		320 - 330			13,419	104	19543	19439	.130	.390	
							Alaskite. Blocky 330-340				20°; 45°; 30°; 70°	1/16"; 1/16"; 1/8" 1/16"	qtz. veinlets, 2 w/ visible MoS_2, no other MoS_2 visible		330 - 340 Kspar Flooding Moly oxidation products visible			12,581	210	19544	19440	.087	.110	
							Alaskite (weathered) Blocky 340-350				20°; 45°	1/16"; hairline	few visible veinlets, no MoS_2 visible		340 - 350 Kspar Flooding			11,679	160	19545	19441	.091	.110	
							Alaskite Blocky 350-360				45°; 45°; 45°; 20°; 20°; 70°; 20°; 70°; 20° [illegible]	1/16" hairline; 1/16"; 1/16"; 1/16"; 1/16"; 1/16"	qtz. veinlets, all w/ good visible MoS_2, no dissem MoS_2 visible		350 - 360			13,109	68	19546	19442	.416	.320	
							Alaskite [illegible]				[illegible] 45°; 20°; 45° 75°; 30°; 70° 20°	1/2" [illegible] hairline; 1/16"; 1/16"; 1/16"	qtz veinlets, most w/ visible MoS_2, no disseminated MoS_2 visible		360 - [illegible]			14,281	46	[illegible]	[illegible]	.216	.320	
							Alaskite				45°	hairline	few visible veinlets, [illegible] visible MoS_2 + very minor disseminated MoS_2 visible		370 - [illegible] Moly oxidation products visible Kspar Flooding			[illegible]		[illegible]	[illegible]	.108	.230	

ADANAC MINING & EXPLORATION LTD.

CASING DEPTH ____
GRID ____

HOLE No. 69-2W-2N
SHEET No. 7 Of ____

Location ____ Bearing ____ Latitude ____ Core Size ____ Logged by R.P.?
Date Collared ____ Length ____ Departure ____ Scale of Log ____ Date ____
Date Completed ____ Dip ____ Elevation ____ Remarks ____

ROCK TYPES & ALTERATION								GRAPHIC LOG	MINERALIZATION & STRUCTURES							RECOVERY		ASSAY RESULTS				
																Weight in Grams		Sample Number		% MoS2		
Qtz.	Plag.	K-Spar	Mafic	Accessories	Texture	Hardness	Rock Name/ Appearance	Rock Type Alteration / Footage / Structure	∠ To Core Axis	Width of Vein	Mineralization Banding (type)	Envelope (type)	Remarks	Footage Blocks	Specific Gravity	Core %	Sludge %	Core	Sludge	Core	Sludge	Estimated Grade
							Alaskite Blocky 380-390		45° 90° 45° 70°	1/16" 1/4" 1/16" hairline 1/16"	few veinlets, some w/ visible MoS2 no dissem. MoS2 visible		380-390 MoS2 oxidation pred visible Kspar Flooding			10,671	102	19549	19995	.046	.180	
							Alaskite ? very Blocky 390-400		10° 20° 30° 45° 30° 70° 20° 45° 45° 45°	1/16" 1/16" 1/16" 1/16" 1/16 - 1/8" 1/4" 1/16"	qtz veinlets, most w/ visible MoS2, minimum dissem. MoS2 visible		390-400			4617	42	19550	19996	.443	.270	
							Alaskite very Blocky 400-410		20°	1/4"	very Blocky few veinlets clearly visible, all w/ visible MoS2, balance of MoS2 may be from broken veinlets or bad [illegible]		400-410			6725	57	19551	19997	.297	.570	
							Alaskite. Blocky 410-420		45° 30°	1/4" 1/16"	2 veinlets w/ visible MoS2, no other MoS2 visible		410-420			6915	232	19552	19998	.152	.120	
							Alaskite		15° [illegible]	1/16" hairline	few veinlets, two visible MoS2, [illegible] visible dissem. MoS2		420-430			7355	87	19553	19999	.034	.170	
							Alaskite [illegible] slightly [illegible] fractured.		30° 40°	hairline 1/16"	as above		[illegible] Kspar Flooding			[illegible]	76			.065	.090	

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CASING DEPTH ____________
GRID ____________

ADANAC MINING & EXPLORATION LTD.

HOLE No. 69-2W-2N
SHEET No. 5 Of 8

Location		Bearing		Latitude		Core Size	
Date Collared		Length		Departure		Scale of Log	
Date Completed		Dip		Elevation		Remarks	
Logged by	PPJ	Date					

ROCK TYPES & ALTERATION: Qtz.	Plag.	K-Spar	Mafic	Accessories	Texture	Hardness	Rock Name/ Appearance	GRAPHIC LOG: Rock Type Alteration	Footage	Structure	MINERALIZATION & STRUCTURES: ∠ To Core Axis	Width of Vein	Mineralization Faulting (type)	Envelope (type)	Remarks	Footage Marks	Specific Gravity	RECOVERY Weight in Grams: Core %	Sludge %	ASSAY RESULTS Sample Number: Core	Sludge	% MoS_2 Combined: Core	Sludge	Estimated Grade
							Alaskite Blocky 440-450				90° 70° 70° 90° 45° 45°	hairline hairline 1/16" hairline 1/16" 1/16"	qtz veinlets, most w/ little visible MoS_2, no dissem. MoS_2 visible		440-450			16,171	26	19555	19476	.189	.080	
							Alaskite (large feld., mafics, [illegible] eyes, sugary [illegible]) Blocky 450-460				[illegible] 45° 70° 45° 70° 20° 45° 70°	hairline 1/16 1/16" 1/16" 1" 1/16" 1/16"	qtz veinlets, most w/ visible MoS_2, no disseminated MoS_2 visible		450-460 MoS_2 oxidation products visible core ground 456-459.			11,832	6.	19556	19477.	.178	.270	
							Alaskite (as above) Blocky [illegible]				45° 20° 45° 20° 70° 45° 70° 70°	1/16" 1/16" 1/16" 1/16"	qtz veinlets, all w/ visible MoS_2, no other MoS_2 visible		460-470			10,578		19557		.093	—	
							Alaskite (as above) weathered Blocky [illegible]		473				no qtz or MoS_2 visible		470-473			3954.		19558		.090	—	

SUMMARY OF CASH FLOW PROJECTIONS

Data Refer to End of Mine Life

Units in 1000 Canadian Dollars

Case Number	Description	Operating Profit	Interest Paid	Total Taxes	Loan Repayment	Unpaid Loan Balance Minus Cum. Cash Flow [1]	Cum. PV @ 12% [2]	Cum. PV @ 14% [2]	Cum. PV @ 16% [2]	Equity Repayment Time - Years -
UNDER PRESENT TAXES										
5 A-1	15,000 TPD, $1.82 Mo. Loan	92852	92852	0	0	69588	-	-	-	-
5 B-1	18,000 TPD, $1.82 Mo. Loan	105945	92039	0	12515	59857	-	-	-	-
5 B-2	18,000 TPD, $1.92 Mo. Loan	125151	78027	0	42411	26640	-	-	-	-
5 B-3	18,000 TPD, $1.92 Mo. Equity	125151	-	12443	-	(112708) [3]	49871	44902	40692	8.879 [4]
5 C-1	20,000 TPD, $1.82 Mo. Loan	112790	89127	0	21296	56777 [3]	-	-	-	-
UNDER WHITE PAPER PROPOSALS OF NOVEMBER, 1969 AND AMENDMENTS OF AUGUST, 1970										
5 A-1	15,000 TPD, $1.82 Mo. Loan	92852	92852	0	0	69588	-	-	-	-
5 B-1	18,000 TPD, $1.82 Mo. Loan	105945	94724	0	7716	62543	-	-	-	-
5 B-2	18,000 TPD, $1.92 Mo. Loan	125151	81579	0	34812	30192	-	-	-	-
5 B-3	18,000 TPD, $1.92 Mo. Equity	125151	-	18510	-	(106641) [3]	48064	43405	39449	9.330 [4]
5 C-1	20,000 TPD, $1.82 Mo. Loan	112790	92030	0	15100	59679 [3]	-	-	-	-

1 Cum. Cumulative

2 PV Present Value

3 Figures in Brackets are Cumulative Net Cash Flow

4 From Start of Production

IN THE FIRST TABLE NEW CAPITAL ASSETS ARE DEDUCTED AFTER LOAN REPAYMENT

IN THE SECOND TABLE NEW CAPITAL ASSETS ARE DEDUCTED BEFORE LOAN REPAYMENT

CHAPMAN, WOOD AND GRISWOLD LTD.
CASH FLOW PROJECTIONS

KERR ADDISON MINES LIMITED
ADANAC PROJECT
CASE 5 A-1
(15,000 TPD $1.82/LB MO)

TERMS OF REFERENCE AND CONTROLS

RESERVES = 104234000. TONS MINING RATE = 5250000. TONS/YEAR FOR ALL YEARS OF PRODUCTION
MINELIFE = 19.854 YEARS NUMBER OF YEARS IN OPERATION = 20 YEARS

FOR YEARS	1974	2	3	4	5	6	7	8	9	10
THE PRORATING FACTORS ARE	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
FOR YEARS	11	12	13	14	15	16	17	18	19	20
THE PRORATING FACTORS ARE	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	.854

THE METAL SALES AND OPERATING COSTS VARY FROM YEAR TO YEAR AS FOLLOWS. BOTH METAL SALES AND OPERATING COSTS ARE IN $/YEAR.

FOR YEARS	1974	2	3	4	5	6	7	8
THE METAL SALES ARE	22903000.	21172000.	20514000.	20504000.	20392000.	20392000.	17941000.	16427000.
THE OPERATING COSTS ARE	14196000.	14196000.	14196000.	14196000.	14196000.	14196000.	13656000.	12663000.

FOR YEARS	9	10	11	12	13	14	15	16
THE METAL SALES ARE	16427000.	16427000.	16427000.	16316000.	16316000.	16316000.	16316000.	16316000.
THE OPERATING COSTS ARE	12663000.	12663000.	12663000.	12663000.	12663000.	12663000.	12663000.	12663000.

FOR YEARS	17	18	19	20
THE METAL SALES ARE	16316000.	16316000.	16316000.	10056356.
THE OPERATING COSTS ARE	12663000.	11949000.	11429000.	8518745.

THE PERIOD BETWEEN INVESTMENT DATE AND PRODUCTION COMMENCEMENT IS 1.000 YEARS

THE PERIOD BETWEEN LOAN DATE AND PRODUCTION COMMENCEMENT IS 2.500 YEARS.
THE LOAN IS FOR $ 5000000. INTEREST IS TO BE PAID ON THIS LOAN AT 7.500 % AND THE LOAN IS TO BE REPAID AT 90.000 % OF THE GROSS CASH FLOW.
THE PERIOD BETWEEN LOAN DATE AND PRODUCTION COMMENCEMENT IS 2.000 YEARS.
THE LOAN IS FOR $ 35000000. INTEREST IS TO BE PAID ON THIS LOAN AT 7.500 % AND THE LOAN IS TO BE REPAID AT 90.000 % OF THE GROSS CASH FLOW.
THE PERIOD BETWEEN LOAN DATE AND PRODUCTION COMMENCEMENT IS 1.000 YEARS.
THE LOAN IS FOR $ 30188000. INTEREST IS TO BE PAID ON THIS LOAN AT 7.500 % AND THE LOAN IS TO BE REPAID AT 90.000 % OF THE GROSS CASH FLOW.

RATE OF DEPRECIATION %	.0	4.0	10.0	30.0
DEPRECIABLE ASSETS $	480000.	500000.	5551000.	55592000.
PROCESSING ASSETS $	0.	0.	0.	52925000.

IN YEAR 5 NEW CAPITAL ASSETS ARE $ 2000000. THE RATE OF DEPPECIATION IS 30.0%.
THE AMOUNT USED FOR PROCESSING IS $ 2000000.
IN YEAR 11 NEW CAPITAL ASSETS ARE $ 2000000. THE RATE OF DEPRECIATION IS 30.0%.
THE AMOUNT USED FOR PROCESSING IS $ 2000000.

PREPRODUCTION EXPENSES, WHICH ARE RETURNED THROUGH TAX ALLOWANCES, AMOUNT TO $ 3465000.

THE PRESENT VALUE HAS BEEN CALCULATED FOR THE FOLLOWING PERCENTAGES 12.0 14.0 16.0

C H A P M A N , W O O D A N D G R I S W O L D LTD .

KERR ADDISON MINES LIMITED
ADANAC PROJECT
CASE 5 A-1
(15,000 TPD $1.82/LB MO)

1000 CANADIAN $	1974	2	3	4	5	6	7	8
METAL SALES	22903.	21172.	20614.	20504.	20392.	20392.	17941.	16427.
OPERATING COST	14196.	14196.	14196.	14196.	14196.	14196.	13666.	12663.
OPERATING PROFIT	8707.	6976.	6418.	6308.	6196.	6196.	4275.	3764.
LOAN INTEREST PAID	8707.	6976.	6418.	6308.	6196.	6196.	4275.	3764.
PROVINCIAL MINING TAX ALLOWANCES:								
PREPRODUCTION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
ALL.ON DEPR.ASSETS	0.	0.	0.	0.	0.	0.	0.	0.
PROCESSING ALL.	0.	0.	0.	0.	0.	0.	0.	0.
PROV.TAXABLE INCOME	0.	0.	0.	0.	0.	0.	0.	0.
B.C. MINING TAX	0.	0.	0.	0.	0.	0.	0.	0.
FEDERAL INCOME TAX ALLOWANCES:								
ALL.ON DEPR.ASSETS	0.	0.	0.	0.	0.	0.	0.	0.
PREPRODUCTION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
MINING TAX ALL.	0.	0.	0.	0.	0.	0.	0.	0.
DEPLETION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
FED. TAXABLE INCOME	0.	0.	0.	0.	0.	0.	0.	0.
INCOME TAX	0.	0.	0.	0.	0.	0.	0.	0.
TOTAL TAXES PAID	0.	0.	0.	0.	0.	0.	0.	0.
GROSS CASH FLOW	0.	0.	0.	0.	0.	0.	0.	0.
LOAN REPAYMENT	0.	0.	0.	0.	0.	0.	0.	0.
NEW CAPITAL ASSETS	0.	0.	0.	0.	2000.	0.	0.	0.
WORKING CAP. REDMPT.	0.	0.	0.	0.	0.	0.	0.	0.
UNPAID LOAN BALANCE	70188.	70188.	70188.	70188.	70188.	70188.	70188.	70188.
NET CASH FLOW	0.	0.	0.	0.	-2000.	0.	0.	0.
CUM. CASH FLOW	0.	0.	0.	0.	-2000.	-2000.	-2000.	-2000.

THE NET CASH FLOW IS NEGATIVE IN YEAR 5. NO NEW LOAN HAS BEEN FLOATED.

C H A P M A N , W O O D A N D G R I S W O L D LTD .

KERR ADDISON MINES LIMITED
ADANAC PROJECT
CASE 5 A-1
(15,000 TPD $1.82/LB MO)

1000 CANADIAN $	9	10	11	12	13	14	15	16
METAL SALES	16427.	16427.	16427.	16316.	16316.	16316.	16316.	16316.
OPERATING COST	12663.	12663.	12663.	12663.	12663.	12663.	12663.	12663.
OPERATING PROFIT	3764.	3764.	3764.	3653.	3653.	3653.	3653.	3653.
LOAN INTEREST PAID	3764.	3764.	3764.	3653.	3653.	3653.	3653.	3653.
PROVINCIAL MINING TAX ALLOWANCES:								
PREPRODUCTION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
ALL.ON DEPR.ASSETS	0.	0.	0.	0.	0.	0.	0.	0.
PROCESSING ALL.	0.	0.	0.	0.	0.	0.	0.	0.
PROV.TAXABLE INCOME	0.	0.	0.	0.	0.	0.	0.	0.
B.C. MINING TAX	0.	0.	0.	0.	0.	0.	0.	0.
FEDERAL INCOME TAX ALLOWANCES:								
ALL.ON DEPR.ASSETS	0.	0.	0.	0.	0.	0.	0.	0.
PREPRODUCTION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
MINING TAX ALL.	0.	0.	0.	0.	0.	0.	0.	0.
DEPLETION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
FED. TAXABLE INCOME	0.	0.	0.	0.	0.	0.	0.	0.
INCOME TAX	0.	0.	0.	0.	0.	0.	0.	0.
TOTAL TAXES PAID	0.	0.	0.	0.	0.	0.	0.	0.
GROSS CASH FLOW	0.	0.	0.	0.	0.	0.	0.	0.
LOAN PEPAYMENT	0.	0.	0.	0.	0.	0.	0.	0.
NEW CAPITAL ASSETS	0.	0.	2000.	0.	0.	0.	0.	0.
WORKING CAP. REDMPT.	0.	0.	0.	0.	0.	0.	0.	0.
UNPAID LOAN BALANCE	70188.	70188.	70188.	70188.	70188.	70188.	70188.	70188.
NET CASH FLOW	0.	0.	-2000.	0.	0.	0.	0.	0.
CUM. CASH FLOW	-2000.	-2000.	-4000.	-4000.	-4000.	-4000.	-4000.	-4000.

THE NET CASH FLOW IS NEGATIVE IN YEAR 11. NO NEW LOAN HAS BEEN FLOATED.

C H A P M A N , W O O D A N D G R I S W O L D LTD .

KERR ADDISON MINES LIMITED
ADANAC PROJECT
CASE 5 A-1
(15,000 TPD $1.82/LB MO)

1000 CANADIAN $	17	18	19	20	TOTALS
METAL SALES	16316.	16316.	16316.	10066.	350220.
OPERATING COST	12663.	11949.	11429.	8519.	257369.
OPERATING PROFIT	3653.	4367.	4887.	1548.	92852.
LOAN INTEREST PAID	3653.	4367.	4887.	1548.	92852.
PROVINCIAL MINING TAX ALLOWANCES:					
PREPRODUCTION ALL.	0.	0.	0.	0.	0.
ALL.ON DEPR.ASSETS	0.	0.	0.	0.	0.
PROCESSING ALL.	0.	0.	0.	0.	0.
PROV.TAXABLE INCOME	0.	0.	0.	0.	0.
B.C. MINING TAX	0.	0.	0.	0.	0.
FEDERAL INCOME TAX ALLOWANCES:					
ALL.ON DEPR.ASSETS	0.	0.	0.	0.	0.
PREPRODUCTION ALL.	0.	0.	0.	0.	0.
MINING TAX ALL.	0.	0.	0.	0.	0.
DEPLETION ALL.	0.	0.	0.	0.	0.
FED. TAXABLE INCOME	0.	0.	0.	0.	0.
INCOME TAX	0.	0.	0.	0.	0.
TOTAL TAXES PAID	0.	0.	0.	0.	0.
GROSS CASH FLOW	0.	0.	0.	0.	0.
LOAN REPAYMENT	0.	0.	0.	0.	0.
NEW CAPITAL ASSETS	0.	0.	0.	0.	4000.
WORKING CAP. REDMPT.	0.	0.	0.	4600.	4600.
UNPAID LOAN BALANCE	70188.	70188.	70188.	70188.	
NET CASH FLOW	0.	0.	0.	4600.	600.
CUM. CASH FLOW	-4000.	-4000.	-4000.	600.	

C H A P M A N , W O O D A N D G R I S W O L D L T D .
C A S H F L O W P R O J E C T I O N S

KERR ADDISON MINES LIMITED
ADANAC PROJECT
CASE S B-1
(18,000 TPD $1.82/LB MO)

TERMS OF REFERENCE AND CONTROLS

RESERVES = 104234000. TONS MINING RATE = 6300000. TONS/YEAR FOR ALL YEARS OF PRODUCTION
MINELIFE = 16.545 YEARS NUMBER OF YEARS IN OPERATION = 17 YEARS

FOR YEARS	1974	2	3	4	5	6	7	8	9	10
THE PRORATING FACTORS ARE	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
FOR YEARS	11	12	13	14	15	16	17			
THE PRORATING FACTORS ARE	1.000	1.000	1.000	1.000	1.000	1.000	.545			

THE METAL SALES AND OPERATING COSTS VARY FROM YEAR TO YEAR AS FOLLOWS. BOTH METAL SALES AND OPERATING COSTS ARE IN $/YEAR.

FOR YEARS	1974	2	3	4	5	6	7	8
THE METAL SALES ARE	27483000.	24737000.	24604000.	24470000.	24470000.	21529000.	19580000.	19580000.
THE OPERATING COSTS ARE	16292000.	16292000.	16292000.	16292000.	16292000.	14395000.	14364000.	14364000.

FOR YEARS	9	10	11	12	13	14	15	16
THE METAL SALES ARE	19580000.	19580000.	19580000.	19580000.	19580000.	19580000.	19580000.	18584000.
THE OPERATING COSTS ARE	14364000.	14364000.	14364000.	14364000.	14364000.	14364000.	14364000.	12499000.

FOR YEARS	17
THE METAL SALES ARE	7675261.
THE OPERATING COSTS ARE	6197006.

THE PERIOD BETWEEN INVESTMENT DATE AND PRODUCTION COMMENCEMENT IS 1.000 YEARS

THE PERIOD BETWEEN LOAN DATE AND PRODUCTION COMMENCEMENT IS 2.500 YEARS.
THE LOAN IS FOR $ 5000000. INTEREST IS TO BE PAID ON THIS LOAN AT 7.500 % AND THE LOAN IS TO BE REPAID AT 90.000 % OF THE GROSS CASH FLOW.
THE PERIOD BETWEEN LOAN DATE AND PRODUCTION COMMENCEMENT IS 2.000 YEARS.
THE LOAN IS FOR $ 35000000. INTEREST IS TO BE PAID ON THIS LOAN AT 7.500 % AND THE LOAN IS TO BE REPAID AT 90.000 % OF THE GROSS CASH FLOW.
THE PERIOD BETWEEN LOAN DATE AND PRODUCTION COMMENCEMENT IS 1.000 YEARS.
THE LOAN IS FOR $ 33763000. INTEREST IS TO BE PAID ON THIS LOAN AT 7.500 % AND THE LOAN IS TO BE REPAID AT 90.000 % OF THE GROSS CASH FLOW.

RATE OF DEPRECIATION %	.0	4.0	10.0	30.0
DEPRECIABLE ASSETS $	480000.	500000.	5551000.	58767000.
PROCESSING ASSETS $	0.	0.	0.	56099000.

IN YEAR 5 NEW CAPITAL ASSETS ARE $ 2500000. THE RATE OF DEPRECIATION IS 30.0%.
THE AMOUNT USED FOR PROCESSING IS $ 2500000.
IN YEAR 11 NEW CAPITAL ASSETS ARE $ 2500000. THE RATE OF DEPRECIATION IS 30.0%.
THE AMOUNT USED FOR PROCESSING IS $ 2500000.

PREPRODUCTION EXPENSES, WHICH ARE RETURNED THROUGH TAX ALLOWANCES, AMOUNT TO $ 3465000.

C H A P M A N , W O O D A N D G R I S W O L D LTD .

KERR ADDISON MINES LIMITED
ADANAC PROJECT
CASE 5 B-1
(18,000 TPD $1.82/LB MO)

1000 CANADIAN $	1974	2	3	4	5	6	7	8
METAL SALES	27483.	24737.	24604.	24470.	24470.	21529.	19580.	19580.
OPERATING COST	16292.	16292.	16292.	16292.	16292.	14395.	14364.	14364.
OPERATING PROFIT	11191.	8445.	8312.	8178.	8178.	7134.	5216.	5216.
LOAN INTEREST PAID	11191.	8445.	7005.	5444.	5259.	5062.	4923.	4903.
PROVINCIAL MINING TAX ALLOWANCES:								
PREPRODUCTION ALL.	0.	0.	1297.	0.	0.	0.	0.	0.
ALL.ON DEPR.ASSETS	0.	0.	0.	2724.	2909.	2062.	283.	303.
PROCESSING ALL.	0.	0.	0.	0.	0.	0.	0.	0.
PROV.TAXABLE INCOME	0.	0.	10.	10.	10.	10.	10.	10.
B.C. MINING TAX	0.	0.	0.	0.	0.	0.	0.	0.
FEDERAL INCOME TAX ALLOWANCES:								
ALL.ON DEPR.ASSETS	0.	0.	0.	2734.	2919.	2072.	293.	313.
PREPRODUCTION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
MINING TAX ALL.	0.	0.	0.	0.	0.	0.	0.	0.
DEPLETION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
FED. TAXABLE INCOME	0.	0.	0.	0.	0.	0.	0.	0.
INCOME TAX	0.	0.	0.	0.	0.	0.	0.	0.
TOTAL TAXES PAID	0.	0.	0.	0.	0.	0.	0.	0.
GROSS CASH FLOW	0.	0.	1307.	2734.	2919.	2072.	293.	313.
LOAN REPAYMENT	0.	0.	1176.	2461.	2627.	1864.	264.	282.
NEW CAPITAL ASSETS	0.	0.	0.	0.	2500.	0.	0.	0.
WORKING CAP. REDMPT.	0.	0.	0.	0.	0.	0.	0.	0.
UNPAID LOAN BALANCE	73763.	73763.	72587.	70126.	67499.	65635.	65371.	65089.
NET CASH FLOW	0.	0.	131.	273.	-2208.	207.	29.	31.
CUM. CASH FLOW	0.	0.	131.	404.	-1804.	-1597.	-1568.	-1536.

THE NET CASH FLOW IS NEGATIVE IN YEAR 5. NO NEW LOAN HAS BEEN FLOATED.

C H A P M A N , W O O D A N D G R I S W O L D LTD .

KERR ADDISON MINES LIMITED
ADANAC PROJECT
CASE S 8-1
(18,000 TPD $1.82/LB MO)

1000 CANADIAN $	9	10	11	12	13	14	15	16
METAL SALES	19580.	19580.	19580.	19580.	19580.	19580.	19580.	18584.
OPERATING COST	14364.	14364.	14364.	14364.	14364.	14364.	14364.	12499.
OPERATING PROFIT	5216.	5216.	5216.	5216.	5216.	5216.	5216.	6085.
LOAN INTEREST PAID	4882.	4859.	4835.	4809.	4782.	4753.	4721.	4688.
PROVINCIAL MINING TAX ALLOWANCES:								
PREPRODUCTION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
ALL.ON DEPR.ASSETS	324.	347.	371.	397.	424.	453.	485.	1387.
PROCESSING ALL.	0.	0.	0.	0.	0.	0.	0.	0.
PROV.TAXABLE INCOME	10.	10.	10.	10.	10.	10.	10.	10.
B.C. MINING TAX	0.	0.	0.	0.	0.	0.	0.	0.
FEDERAL INCOME TAX ALLOWANCES:								
ALL.ON DEPR.ASSETS	334.	357.	381.	407.	434.	463.	495.	1397.
PREPRODUCTION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
MINING TAX ALL.	0.	0.	0.	0.	0.	0.	0.	0.
DEPLETION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
FED. TAXABLE INCOME	0.	0.	0.	0.	0.	0.	0.	0.
INCOME TAX	0.	0.	0.	0.	0.	0.	0.	0.
TOTAL TAXES PAID	0.	0.	0.	0.	0.	0.	0.	0.
GROSS CASH FLOW	334.	357.	381.	407.	434.	463.	495.	1397.
LOAN REPAYMENT	301.	321.	343.	366.	391.	417.	445.	1257.
NEW CAPITAL ASSETS	0.	0.	2500.	0.	0.	0.	0.	0.
WORKING CAP. REDMPT.	0.	0.	0.	0.	0.	0.	0.	0.
UNPAID LOAN BALANCE	64788.	64467.	64124.	63758.	63367.	62950.	62505.	61248.
NET CASH FLOW	33.	36.	-2462.	41.	43.	46.	49.	140.
CUM. CASH FLOW	-1503.	-1467.	-3929.	-3888.	-3845.	-3799.	-3749.	-3609.

THE NET CASH FLOW IS NEGATIVE IN YEAR 11. NO NEW LOAN HAS BEEN FLOATED.

CHAPMAN, WOOD AND GRISWOLD LTD.

KERR ADDISON MINES LIMITED
ADANAC PROJECT
CASE S B-1
(18,000 TPD $1.82/LB MO)

1000 CANADIAN $	17	TOTALS
METAL SALES	7675.	349772.
OPERATING COST	6197.	243827.
OPERATING PROFIT	1478.	105945.
LOAN INTEREST PAID	1478.	92039.
PROVINCIAL MINING TAX ALLOWANCES:		
PREPRODUCTION ALL.	0.	1297.
ALL.ON DEPR.ASSETS	0.	12469.
PROCESSING ALL.	0.	0.
PROV.TAXABLE INCOME	0.	140.
B.C. MINING TAX	0.	0.
FEDERAL INCOME TAX ALLOWANCES:		
ALL.ON DEPR.ASSETS	0.	12599.
PREPRODUCTION ALL.	0.	0.
MINING TAX ALL.	0.	0.
DEPLETION ALL.	0.	0.
FED. TAXABLE INCOME	0.	0.
INCOME TAX	0.	0.
TOTAL TAXES PAID	0.	0.
GROSS CASH FLOW	0.	13906.
LOAN REPAYMENT	0.	12515.
NEW CAPITAL ASSETS	0.	5000.
WORKING CAP. REDMPT.	5000.	5000.
UNPAID LOAN BALANCE	61248.	
NET CASH FLOW	5000.	1391.
CUM. CASH FLOW	1391.	

CHAPMAN, WOOD AND GRISWOLD LTD.
CASH FLOW PROJECTIONS

KERR ADDISON MINES LIMITED
ADANAC PROJECT
CASE 5 B-2
(18,000 TPD $1.92/LB MO)

TERMS OF REFERENCE AND CONTROLS

RESERVES = 104234000. TONS MINING RATE = 6300000. TONS/YEAR FOR ALL YEARS OF PRODUCTION
MINELIFE = 16.545 YEARS NUMBER OF YEARS IN OPERATION = 17 YEARS

FOR YEARS	1974	2	3	4	5	6	7	8	9	10
THE PRORATING FACTORS ARE	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
FOR YEARS	11	12	13	14	15	16	17			
THE PRORATING FACTORS ARE	1.000	1.000	1.000	1.000	1.000	1.000	.545			

THE METAL SALES AND OPERATING COSTS VARY FROM YEAR TO YEAR AS FOLLOWS. BOTH METAL SALES AND OPERATING COSTS ARE IN $/YEAR.

FOR YEARS	1974	2	3	4	5	6	7	8
THE METAL SALES ARE	28942000.	26096000.	25955000.	25814000.	25814000.	22711000.	20655000.	20655000.
THE OPERATING COSTS ARE	16292000.	16292000.	16292000.	16292000.	16292000.	14395000.	14364000.	14364000.

FOR YEARS	9	10	11	12	13	14	15	16
THE METAL SALES ARE	20655000.	20655000.	20655000.	20655000.	20655000.	20655000.	20655000.	19605000.
THE OPERATING COSTS ARE	14364000.	14364000.	14364000.	14364000.	14364000.	14364000.	14364000.	12499000.

FOR YEARS	17
THE METAL SALES ARE	8096062.
THE OPERATING COSTS ARE	5197006.

THE PERIOD BETWEEN INVESTMENT DATE AND PRODUCTION COMMENCEMENT IS 1.000 YEARS

THE PERIOD BETWEEN LOAN DATE AND PRODUCTION COMMENCEMENT IS 2.500 YEARS.
THE LOAN IS FOR $ 5000000. INTEREST IS TO BE PAID ON THIS LOAN AT 7.500 % AND THE LOAN IS TO BE REPAID AT 90.000 % OF THE GROSS CASH FLOW.
THE PERIOD BETWEEN LOAN DATE AND PRODUCTION COMMENCEMENT IS 2.000 YEARS.
THE LOAN IS FOR $ 35000000. INTEREST IS TO BE PAID ON THIS LOAN AT 7.500 % AND THE LOAN IS TO BE REPAID AT 90.000 % OF THE GROSS CASH FLOW.
THE PERIOD BETWEEN LOAN DATE AND PRODUCTION COMMENCEMENT IS 1.000 YEARS.
THE LOAN IS FOR $ 33753000. INTEREST IS TO BE PAID ON THIS LOAN AT 7.500 % AND THE LOAN IS TO BE REPAID AT 90.000 % OF THE GROSS CASH FLOW.

RATE OF DEPRECIATION %	.0	4.0	10.0	30.0
DEPRECIABLE ASSETS $	480000.	500000.	5551000.	58767000.
PROCESSING ASSETS $	0.	0.	0.	56099000.

IN YEAR 5 NEW CAPITAL ASSETS ARE $ 2500000. THE RATE OF DEPRECIATION IS 30.0%.
THE AMOUNT USED FOR PROCESSING IS $ 2500000.
IN YEAR 11 NEW CAPITAL ASSETS ARE $ 2500000. THE RATE OF DEPRECIATION IS 30.0%.
THE AMOUNT USED FOR PROCESSING IS $ 2500000.

PREPRODUCTION EXPENSES, WHICH ARE RETURNED THROUGH TAX ALLOWANCES, AMOUNT TO $ 3465000.

THE PRESENT VALUE HAS BEEN CALCULATED FOR THE FOLLOWING PERCENTAGES 12.0 14.0 16.0

C H A P M A N , W O O D A N D G R I S W O L D LTD .

KERR ADDISON MINES LIMITED
ADANAC PROJECT
CASE 5 B-2
(18,000 TPD $1.92/LB MO)

1000 CANADIAN $	1974	2	3	4	5	6	7	8
METAL SALES	28992.	26096.	25955.	25814.	25814.	22711.	20655.	20655.
OPERATING COST	16292.	16292.	16292.	16292.	16292.	14395.	14364.	14364.
OPERATING PROFIT	12700.	9804.	9663.	9522.	9522.	8316.	6291.	6291.
LOAN INTEREST PAID	12700.	8193.	5423.	5137.	4841.	4525.	4270.	4133.
PROVINCIAL MINING TAX ALLOWANCES:								
PREPRODUCTION ALL.	0.	1601.	1864.	0.	0.	0.	0.	0.
ALL.ON DEPR.ASSETS	0.	0.	2366.	4375.	4671.	3781.	2011.	2148.
PROCESSING ALL.	0.	0.	0.	0.	0.	0.	0.	0.
PROV.TAXABLE INCOME	0.	10.	10.	10.	10.	10.	10.	10.
B.C. MINING TAX	0.	0.	0.	0.	0.	0.	0.	0.
FEDERAL INCOME TAX ALLOWANCES:								
ALL.ON DEPR.ASSETS	0.	0.	0.	4385.	4681.	3791.	2021.	2158.
PREPRODUCTION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
MINING TAX ALL.	0.	0.	0.	0.	0.	0.	0.	0.
DEPLETION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
FED. TAXABLE INCOME	0.	0.	0.	0.	0.	0.	0.	0.
INCOME TAX	0.	0.	0.	0.	0.	0.	0.	0.
TOTAL TAXES PAID	0.	0.	0.	0.	0.	0.	0.	0.
GROSS CASH FLOW	0.	1611.	4240.	4385.	4681.	3791.	2021.	2158.
LOAN REPAYMENT	0.	1450.	3815.	3946.	4213.	3412.	1819.	1942.
NEW CAPITAL ASSETS	0.	0.	0.	0.	2500.	0.	0.	0.
WORKING CAP. REDMPT.	0.	0.	0.	0.	0.	0.	0.	0.
UNPAID LOAN BALANCE	73763.	72313.	68497.	64551.	60339.	56927.	55108.	53166.
NET CASH FLOW	0.	161.	424.	438.	-2032.	379.	202.	216.
CUM. CASH FLOW	0.	161.	585.	1024.	-1008.	-629.	-427.	-211.

C H A P M A N , W O O D A N D G R I S W O L D LTD .

KERR ADDISON MINES LIMITED
ADANAC PROJECT
CASE 5 8-2
(18,000 TPD $1.92/LB MO)

1000 CANADIAN $	9	10	11	12	13	14	15	16
METAL SALES	20655.	20655.	20655.	20655.	20655.	20655.	20655.	19605.
OPERATING COST	14364.	14364.	14364.	14364.	14364.	14364.	14364.	12499.
OPERATING PROFIT	6291.	6291.	6291.	6291.	6291.	6291.	6291.	7106.
LOAN INTEREST PAID	3987.	3832.	3666.	3489.	3300.	3098.	2882.	2652.
PROVINCIAL MINING TAX ALLOWANCES:								
PREPRODUCTION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
ALL.ON DEPR.ASSETS	2294.	2449.	2615.	2792.	2981.	3183.	3399.	4444.
PROCESSING ALL.	0.	0.	0.	0.	0.	0.	0.	0.
PROV.TAXABLE INCOME	10.	10.	10.	10.	10.	10.	10.	10.
B.C. MINING TAX	0.	0.	0.	0.	0.	0.	0.	0.
FEDERAL INCOME TAX ALLOWANCES:								
ALL.ON DEPR.ASSETS	2304.	2459.	2625.	2802.	2991.	3193.	3409.	4454.
PREPRODUCTION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
MINING TAX ALL.	0.	0.	0.	0.	0.	0.	0.	0.
DEPLETION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
FED. TAXABLE INCOME	0.	0.	0.	0.	0.	0.	0.	0.
INCOME TAX	0.	0.	0.	0.	0.	0.	0.	0.
TOTAL TAXES PAID	0.	0.	0.	0.	0.	0.	0.	0.
GROSS CASH FLOW	2304.	2459.	2625.	2802.	2991.	3193.	3409.	4454.
LOAN REPAYMENT	2073.	2213.	2363.	2522.	2692.	2874.	3068.	4009.
NEW CAPITAL ASSETS	0.	0.	2500.	0.	0.	0.	0.	0.
WORKING CAP. REDMPT.	0.	0.	0.	0.	0.	0.	0.	0.
UNPAID LOAN BALANCE	51092.	48879.	46517.	43995.	41302.	38428.	35360.	31352.
NET CASH FLOW	230.	246.	-2237.	280.	299.	319.	341.	445.
CUM. CASH FLOW	19.	265.	-1973.	-1692.	-1393.	-1074.	-733.	-288.

THE NET CASH FLOW IS NEGATIVE IN YEAR 11. NO NEW LOAN HAS BEEN FLOATED.

C H A P M A N , W O O D A N D G R I S W O L D L T D .

KERR ADDISON MINES LIMITED
ADANAC PROJECT
CASE 5 B-2
(18,000 TPD $1.92/LB MO)

1000 CANADIAN $	17	TOTALS
METAL SALES	8096.	368978.
OPERATING COST	6197.	243827.
OPERATING PROFIT	1899.	125151.
LOAN INTEREST PAID	1899.	78027.
PROVINCIAL MINING TAX ALLOWANCES:		
PREPRODUCTION ALL.	0.	3465.
ALL.ON DEPR.ASSETS	0.	43509.
PROCESSING ALL.	0.	0.
PROV.TAXABLE INCOME	0.	150.
B.C. MINING TAX	0.	0.
FEDERAL INCOME TAX ALLOWANCES:		
ALL.ON DEPR.ASSETS	0.	41273.
PREPRODUCTION ALL.	0.	0.
MINING TAX ALL.	0.	0.
DEPLETION ALL.	0.	0.
FED. TAXABLE INCOME	0.	0.
INCOME TAX	0.	0.
TOTAL TAXES PAID	0.	0.
GROSS CASH FLOW	0.	47124.
LOAN REPAYMENT	0.	42411.
NEW CAPITAL ASSETS	0.	5000.
WORKING CAP. REDMPT.	5000.	5000.
UNPAID LOAN BALANCE	31352.	
NET CASH FLOW	5000.	4712.
CUM. CASH FLOW	4712.	

CHAPMAN, WOOD AND GRISWOLD LTD.
CASH FLOW PROJECTIONS

KERR ADDISON MINES LIMITED
ADANAC PROJECT
CASE 5 B-3
(18,000 TPD $1.92/LB MO EQUITY)

TERMS OF REFERENCE AND CONTROLS

RESERVES = 104234000. TONS MINING RATE = 6300000. TONS/YEAR FOR ALL YEARS OF PRODUCTION
MINELIFE = 16.545 YEARS NUMBER OF YEARS IN OPERATION = 17 YEARS

FOR YEARS	1974	2	3	4	5	6	7	8	9	10
THE PRORATING FACTORS ARE	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
FOR YEARS	11	12	13	14	15	16	17			
THE PRORATING FACTORS ARE	1.000	1.000	1.000	1.000	1.000	1.000	.545			

THE METAL SALES AND OPERATING COSTS VARY FROM YEAR TO YEAR AS FOLLOWS. BOTH METAL SALES AND OPERATING COSTS ARE IN $/YEAR.

FOR YEARS	1974	2	3	4	5	6	7	8
THE METAL SALES ARE	28992000.	26096000.	25955000.	25914000.	25814000.	22711000.	20655000.	20655000.
THE OPERATING COSTS ARE	16292000.	16292000.	16292000.	16292000.	16292000.	14395000.	14364000.	14364000.

FOR YEARS	9	10	11	12	13	14	15	16
THE METAL SALES ARE	20655000.	20655000.	20655000.	20655000.	20655000.	20655000.	20655000.	19605000.
THE OPERATING COSTS ARE	14364000.	14364000.	14364000.	14364000.	14364000.	14364000.	14364000.	12499000.

FOR YEARS	17
THE METAL SALES ARE	8896062.
THE OPERATING COSTS ARE	6197006.

THE PERIOD BETWEEN INVESTMENT DATE AND PRODUCTION COMMENCEMENT IS 1.000 YEARS

THERE ARE NO LOANS IN THIS CASH FLOW.

RATE OF DEPRECIATION %	.0	4.0	10.0	30.0
DEPRECIABLE ASSETS $	480000.	500000.	5551000.	58767000.
PROCESSING ASSETS $	0.	0.	0.	56099000.

IN YEAR 5 NEW CAPITAL ASSETS ARE $ 2500000. THE RATE OF DEPRECIATION IS 30.0%.
THE AMOUNT USED FOR PROCESSING IS $ 2500000.
IN YEAR 11 NEW CAPITAL ASSETS ARE $ 2500000. THE RATE OF DEPRECIATION IS 30.0%.
THE AMOUNT USED FOR PROCESSING IS $ 2500000.

PREPRODUCTION EXPENSES, WHICH ARE RETURNED THROUGH TAX ALLOWANCES, AMOUNT TO $ 3465000.

THE PRESENT VALUE HAS BEEN CALCULATED FOR THE FOLLOWING PERCENTAGES 12.0 14.0 16.0

C H A P M A N , W O O D A N D G R I S W O L D LTD .

KERR ADDISON MINES LIMITED
ADANAC PROJECT
CASE 5 B-3
(18,000 TPD $1.92/LB MO EQUITY)

1000 CANADIAN $	1974	2	3	4	5	6	7	8
METAL SALES	28992.	26096.	25955.	25814.	25814.	22711.	20655.	20655.
OPERATING COST	16292.	16292.	16292.	16292.	16292.	14395.	14364.	14364.
OPERATING PROFIT	12700.	9804.	9663.	9522.	9522.	8316.	6291.	6291.
LOAN INTEREST PAID	0.	0.	0.	0.	0.	0.	0.	0.
PROVINCIAL MINING TAX ALLOWANCES:								
PREPRODUCTION ALL.	3465.	0.	0.	0.	0.	0.	0.	0.
ALL.ON DEPR.ASSETS	9225.	9794.	9653.	9512.	7901.	5608.	3996.	2860.
PROCESSING ALL.	0.	0.	0.	0.	1053.	1346.	942.	660.
PROV.TAXABLE INCOME	10.	10.	10.	10.	567.	1361.	1353.	2771.
B.C. MINING TAX	0.	0.	0.	0.	84.	203.	201.	414.
FEDERAL INCOME TAX ALLOWANCES:								
ALL.ON DEPR.ASSETS	0.	0.	0.	9522.	9522.	8316.	6291.	6291.
PREPRODUCTION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
MINING TAX ALL.	0.	0.	0.	0.	0.	0.	0.	0.
DEPLETION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
FED. TAXABLE INCOME	0.	0.	0.	0.	0.	0.	0.	0.
INCOME TAX	0.	0.	0.	0.	0.	0.	0.	0.
TOTAL TAXES PAID	0.	0.	0.	0.	84.	203.	201.	414.
GROSS CASH FLOW	12700.	9804.	9663.	9522.	9438.	8113.	6090.	5877.
LOAN REPAYMENT	0.	0.	0.	0.	0.	0.	0.	0.
NEW CAPITAL ASSETS	0.	0.	0.	0.	2500.	0.	0.	0.
WORKING CAP. REDMPT.	0.	0.	0.	0.	0.	0.	0.	0.
UNPAID LOAN BALANCE	0.	0.	0.	0.	0.	0.	0.	0.
NET CASH FLOW	12700.	9804.	9663.	9522.	6938.	8113.	6090.	5877.
CUM. CASH FLOW	12700.	22504.	32167.	41689.	48627.	56741.	62830.	68707.

C H A P M A N , W O O D A N D G R I S W O L D LTD .

KERR ADDISON MINES LIMITED
ADANAC PROJECT
CASE 5 B-3
(18,000 TPD $1.92/LB MO EQUITY)

1000 CANADIAN $	1974	2	3	4	5	6	7	8
PV TAKEN AT 12.00 %	10124.	6978.	6141.	5403.	3515.	3670.	2459.	2119.
CUMULATIVE PV	10124.	17103.	23244.	28647.	32162.	35832.	38291.	40411.
PV TAKEN AT 14.00 %	9772.	6617.	5721.	4945.	3161.	3242.	2135.	1807.
CUMULATIVE PV	9772.	16390.	22111.	27056.	30217.	33460.	35595.	37402.
PV TAKEN AT 16.00 %	9438.	6281.	5337.	4534.	2848.	2871.	1857.	1545.
CUMULATIVE PV	9438.	15719.	21056.	25590.	28437.	31308.	33166.	34711.

C H A P M A N , W O O D A N D G R I S W O L D LTD .

KERR ADDISON MINES LIMITED
ADANAC PROJECT
CASE 5 B-3
(18,000 TPD $1.92/LB MO EQUITY)

1000 CANADIAN $	9	10	11	12	13	14	15	16
METAL SALES	20655.	20655.	20655.	20655.	20655.	20655.	20655.	19605.
OPERATING COST	14364.	14364.	14364.	14364.	14364.	14364.	14364.	12499.
OPERATING PROFIT	6291.	6291.	6291.	6291.	6291.	6291.	6291.	7106.
LOAN INTEREST PAID	0.	0.	0.	0.	0.	0.	0.	0.
PROVINCIAL MINING TAX ALLOWANCES:								
PREPRODUCTION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
ALL.ON DEPR.ASSETS	2058.	1493.	1842.	1331.	970.	714.	531.	400.
PROCESSING ALL.	635.	720.	667.	744.	798.	837.	864.	1006.
PROV.TAXABLE INCOME	3597.	4078.	3782.	4216.	4523.	4741.	4895.	5700.
B.C. MINING TAX	538.	610.	566.	631.	677.	710.	733.	854.
FEDERAL INCOME TAX ALLOWANCES:								
ALL.ON DEPR.ASSETS	6291.	5634.	4757.	3387.	2422.	1742.	1262.	921.
PREPRODUCTION ALL.	0.	589.	1365.	1512.	0.	0.	0.	0.
MINING TAX ALL.	0.	68.	170.	369.	492.	579.	640.	787.
DEPLETION ALL.	0.	0.	0.	341.	1126.	1323.	1463.	1799.
FED. TAXABLE INCOME	0.	0.	0.	1023.	3377.	3970.	4389.	5398.
INCOME TAX	0.	0.	0.	351.	1157.	1361.	1504.	1850.
TOTAL TAXES PAID	538.	610.	566.	982.	1834.	2070.	2237.	2703.
GROSS CASH FLOW	5753.	5681.	5725.	5309.	4457.	4221.	4054.	4403.
LOAN REPAYMENT	0.	0.	0.	0.	0.	0.	0.	0.
NEW CAPITAL ASSETS	0.	0.	2500.	0.	0.	0.	0.	0.
WORKING CAP. REDMPT.	0.	0.	0.	0.	0.	0.	0.	0.
UNPAID LOAN BALANCE	0.	0.	0.	0.	0.	0.	0.	0.
NET CASH FLOW	5753.	5681.	3225.	5309.	4457.	4221.	4054.	4403.
CUM. CASH FLOW	74460.	80141.	83366.	88675.	93132.	97353.	101407.	105809.

C H A P M A N , W O O D A N D G R I S W O L D LTD .

KERR ADDISON MINES LIMITED
ADANAC PROJECT
CASE 5 B-3
(18,000 TPD $1.92/LB MO EQUITY)

1000 CANADIAN $	9	10	11	12	13	14	15	16
PV TAKEN AT 12.00 %	1852.	1633.	828.	1217.	912.	771.	661.	641.
CUMULATIVE PV	42263.	43896.	44724.	45941.	46853.	47624.	48285.	48926.
PV TAKEN AT 14.00 %	1552.	1344.	669.	967.	712.	591.	498.	475.
CUMULATIVE PV	38954.	40298.	40967.	41934.	42646.	43237.	43735.	44210.
PV TAKEN AT 16.00 %	1304.	1110.	543.	771.	558.	456.	377.	353.
CUMULATIVE PV	36015.	37125.	37668.	38439.	38997.	39453.	39830.	40183.

C H A P M A N , W O O D A N D G R I S W O L D LTD .

KERR ADDISON MINES LIMITED
ADANAC PROJECT
CASE S 8-3
(18,000 TPD $1.93/LB MO EQUITY)

1000 CANADIAN $	17	TOTALS
METAL SALES	8096.	368978.
OPERATING COST	6197.	243827.
OPERATING PROFIT	1899.	125151.
LOAN INTEREST PAID	0.	0.
PROVINCIAL MINING TAX ALLOWANCES:		
PREPRODUCTION ALL.	0.	3465.
ALL.ON DEPR.ASSETS	1894.	69782.
PROCESSING ALL.	0.	10273.
PROV.TAXABLE INCOME	5.	41632.
B.C. MINING TAX	0.	6220.
FEDERAL INCOME TAX ALLOWANCES:		
ALL.ON DEPR.ASSETS	1899.	68257.
PREPRODUCTION ALL.	0.	3465.
MINING TAX ALL.	0.	3106.
DEPLETION ALL.	0.	6052.
FED. TAXABLE INCOME	0.	18157.
INCOME TAX	0.	6223.
TOTAL TAXES PAID	0.	12443.
GROSS CASH FLOW	1899.	112708.
LOAN REPAYMENT	0.	0.
NEW CAPITAL ASSETS	0.	5000.
WORKING CAP. REDMPT.	5000.	5000.
UNPAID LOAN BALANCE	0.	
NET CASH FLOW	6899.	112708.
CUM. CASH FLOW	112708.	

C H A P M A N , W O O D A N D G R I S W O L D LTD .

KERR ADDISON MINES LIMITED
ADANAC PROJECT
CASE 5 B-3
(18,000 TPD $1.92/LB MO EQUITY)

		TOTALS
1000 CANADIAN $	17	
PV TAKEN AT 12.00 %	945.	49871.
CUMULATIVE PV	49871.	
PV TAKEN AT 14.00 %	692.	44902.
CUMULATIVE PV	44902.	
PV TAKEN AT 16.00 %	510.	40694.
CUMULATIVE PV	40694.	

THE INVESTMENT WILL BE REPAID (ASSUMING NO DISCOUNT) IN NOV 9 OR 9.879 YEARS FROM THE EQUITY INVESTMENT.

THE INVESTMENT WAS $ 73763000.

C H A P M A N , W O O D A N D G R I S W O L D L T D .
C A S H F L O W P R O J E C T I O N S

KERR ADDISON MINES LIMITED
ADANAC PROJECT
CASE 5 C-1
(20,000 TPD $1.92/LB MO)

TERMS OF REFERENCE AND CONTROLS

RESERVES = 104234000. TONS MINING RATE = 7000000. TONS/YEAR FOR ALL YEARS OF PRODUCTION
MINELIFE = 14.891 YEARS NUMBER OF YEARS IN OPERATION = 15 YEARS

FOR YEARS	1974	2	3	4	5	6	7	8	9	10
THE PRORATING FACTORS ARE	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
FOR YEARS	11	12	13	14	15					
THE PRORATING FACTORS ARE	1.000	1.000	1.000	1.000	.891					

THE METAL SALES AND OPERATING COSTS VARY FROM YEAR TO YEAR AS FOLLOWS. BOTH METAL SALES AND OPERATING COSTS ARE IN $/YEAR.

FOR YEARS	1974	2	3	4	5	6	7	8
THE METAL SALES ARE	30101001.	27487000.	27338000.	27190000.	26298000.	21756000.	21756000.	21756000.
THE OPERATING COSTS ARE	17556000.	17556000.	17556000.	17556000.	17556000.	15568000.	15568000.	15568000.

FOR YEARS	9	10	11	12	13	14	15
THE METAL SALES ARE	21756000.	21756000.	21756000.	21756000.	21756000.	21461000.	15617059.
THE OPERATING COSTS ARE	15568000.	15568000.	15568000.	15239000.	15239000.	14182000.	10902374.

THE PERIOD BETWEEN INVESTMENT DATE AND PRODUCTION COMMENCEMENT IS 1.000 YEARS

THE PERIOD BETWEEN LOAN DATE AND PRODUCTION COMMENCEMENT IS 2.500 YEARS.
THE LOAN IS FOR $ 5000000. INTEREST IS TO BE PAID ON THIS LOAN AT 7.500 % AND THE LOAN IS TO BE REPAID AT 90.000 % OF THE GROSS CASH FLOW.
THE PERIOD BETWEEN LOAN DATE AND PRODUCTION COMMENCEMENT IS 2.000 YEARS.
THE LOAN IS FOR $ 37000000. INTEREST IS TO BE PAID ON THIS LOAN AT 7.500 % AND THE LOAN IS TO BE REPAID AT 90.000 % OF THE GROSS CASH FLOW.
THE PERIOD BETWEEN LOAN DATE AND PRODUCTION COMMENCEMENT IS 1.000 YEARS.
THE LOAN IS FOR $ 3803?000. INTEREST IS TO BE PAID ON THIS LOAN AT 7.500 % AND THE LOAN IS TO BE REPAID AT 90.000 % OF THE GROSS CASH FLOW.

RATE OF DEPRECIATION %	.0	4.0	10.0	30.0
DEPRECIABLE ASSETS $	480000.	500000.	5551000.	64443000.
PROCESSING ASSETS $	0.	0.	0.	61496000.

IN YEAR 5 NEW CAPITAL ASSETS ARE $ 3000000. THE RATE OF DEPRECIATION IS 30.0%.
THE AMOUNT USED FOR PROCESSING IS $ 3000000.
IN YEAR 11 NEW CAPITAL ASSETS ARE $ 3000000. THE RATE OF DEPRECIATION IS 30.0%.
THE AMOUNT USED FOR PROCESSING IS $ 3000000.

PREPRODUCTION EXPENSES, WHICH ARE RETURNED THROUGH TAX ALLOWANCES, AMOUNT TO $ 3465000.

THE PRESENT VALUE HAS BEEN CALCULATED FOR THE FOLLOWING PERCENTAGES 12.0 14.0 16.0

C H A P M A N , W O O D A N D G R I S W O L D LTD .

KERR ADDISON MINES LIMITED
ADANAC PROJECT
CASE 5 C-1
(20,000 TPD $1.82/LB MO)

1000 CANADIAN $	1974	2	3	4	5	6	7	8
METAL SALES	30101.	27487.	27338.	27190.	26298.	21756.	21756.	21756.
OPERATING COST	17556.	17556.	17556.	17556.	17556.	15568.	15568.	15568.
OPERATING PROFIT	12545.	9931.	9782.	9634.	8742.	6188.	6188.	6188.
LOAN INTEREST PAID	12545.	9931.	6149.	5758.	5496.	5277.	5215.	5150.
PROVINCIAL MINING TAX ALLOWANCES:								
PREPRODUCTION ALL.	0.	0.	3465.	0.	0.	0.	0.	0.
ALL.ON DEPR.ASSETS	0.	0.	158.	3866.	3236.	901.	963.	1028.
PROCESSING ALL.	0.	0.	0.	0.	0.	0.	0.	0.
PROV.TAXABLE INCOME	0.	0.	10.	10.	10.	10.	10.	10.
B.C. MINING TAX	0.	0.	0.	0.	0.	0.	0.	0.
FEDERAL INCOME TAX ALLOWANCES:								
ALL.ON DEPR.ASSETS	0.	0.	0.	3876.	3246.	911.	973.	1038.
PREPRODUCTION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
MINING TAX ALL.	0.	0.	0.	0.	0.	0.	0.	0.
DEPLETION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
FED. TAXABLE INCOME	0.	0.	0.	0.	0.	0.	0.	0.
INCOME TAX	0.	0.	0.	0.	0.	0.	0.	0.
TOTAL TAXES PAID	0.	0.	0.	0.	0.	0.	0.	0.
GROSS CASH FLOW	0.	0.	3633.	3876.	3246.	911.	973.	1038.
LOAN REPAYMENT	0.	0.	3270.	3489.	2921.	820.	875.	934.
NEW CAPITAL ASSETS	0.	0.	0.	0.	3000.	0.	0.	0.
WORKING CAP. REDMPT.	0.	0.	0.	0.	0.	0.	0.	0.
UNPAID LOAN BALANCE	80039.	80039.	76769.	73280.	70359.	69539.	68663.	67729.
NET CASH FLOW	0.	0.	363.	388.	-2675.	91.	97.	104.
CUM. CASH FLOW	0.	0.	363.	751.	-1924.	-1833.	-1736.	-1632.

THE NET CASH FLOW IS NEGATIVE IN YEAR 5. NO NEW LOAN HAS BEEN FLOATED.

CHAPMAN, WOOD AND GRISWOLD LTD.

KERR ADDISON MINES LIMITED
ADANAC PROJECT
CASE 5 C-1
(20,000 TPD $1.82/LB MO)

1000 CANADIAN $	9	10	11	12	13	14	15	TOTALS
METAL SALES	21756.	21756.	21756.	21756.	21756.	21461.	15617.	349540.
OPERATING COST	15568.	15568.	15568.	15239.	15239.	14182.	10902.	236750.
OPERATING PROFIT	6188.	6188.	6188.	6517.	6517.	7279.	4715.	112790.
LOAN INTEREST PAID	5080.	5005.	4925.	4840.	4727.	4606.	4425.	89127.
PROVINCIAL MINING TAX ALLOWANCES:								
PREPRODUCTION ALL.	0.	0.	0.	0.	0.	0.	0.	3465.
ALL.ON DEPR.ASSETS	1098.	1173.	1253.	1667.	1780.	2663.	281.	20069.
PROCESSING ALL.	0.	0.	0.	0.	0.	0.	0.	0.
PROV.TAXABLE INCOME	10.	10.	10.	10.	10.	10.	9.	129.
B.C. MINING TAX	0.	0.	0.	0.	0.	0.	0.	0.
FEDERAL INCOME TAX ALLOWANCES:								
ALL.ON DEPR.ASSETS	1108.	1183.	1263.	1677.	1790.	2673.	289.	20029.
PREPRODUCTION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
MINING TAX ALL.	0.	0.	0.	0.	0.	0.	0.	0.
DEPLETION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
FED. TAXABLE INCOME	0.	0.	0.	0.	0.	0.	0.	0.
INCOME TAX	0.	0.	0.	0.	0.	0.	0.	0.
TOTAL TAXES PAID	0.	0.	0.	0.	0.	0.	0.	0.
GROSS CASH FLOW	1108.	1183.	1263.	1677.	1790.	2673.	289.	23663.
LOAN REPAYMENT	997.	1065.	1137.	1510.	1611.	2406.	261.	21296.
NEW CAPITAL ASSETS	0.	0.	3000.	0.	0.	0.	0.	6000.
WORKING CAP. REDMPT.	0.	0.	0.	0.	0.	0.	5600.	5600.
UNPAID LOAN BALANCE	66732.	65667.	64530.	63021.	61409.	59003.	58743.	
NET CASH FLOW	111.	118.	-2874.	168.	179.	267.	5629.	1966.
CUM. CASH FLOW	-1521.	-1403.	-4277.	-4109.	-3930.	-3663.	1966.	

THE NET CASH FLOW IS NEGATIVE IN YEAR 11. NO NEW LOAN HAS BEEN FLOATED.

C H A P M A N , W O O D A N D G R I S W O L D L T D .
C A S H F L O W P R O J E C T I O N S

KERR ADDISON MINES LIMITED
ADANAC PROJECT
CASE 5 A-1
(15,000 TPD $1.82/LB MO)

F A S T W R I T E - O F F C L A I M E D .
INSTEAD OF THE OLD PERIOD OF EXEMPTION FROM INCOME TAX.

THIS CASH FLOW ASSUMES THE IMPLEMENTATION OF THE PROPOSALS
FOR TAX REFORM SET FORTH IN THE WHITE PAPER OF NOV. 1969, AND AMMENDED AUG. 1970

TERMS OF REFERENCE AND CONTROLS

RESERVES = 104234000. TONS MINING RATE = 5250000. TONS/YEAR FOR ALL YEARS OF PRODUCTION
MINELIFE = 19.854 YEARS NUMBER OF YEARS IN OPERATION = 20 YEARS

FOR YEARS	1	2	3	4	5	6	7	8	9	10
THE PRORATING FACTORS ARE	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
FOR YEARS	11	12	13	14	15	16	17	18	19	20
THE PRORATING FACTORS ARE	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	.854

THE METAL SALES AND OPERATING COSTS VARY FROM YEAR TO YEAR AS FOLLOWS. BOTH METAL SALES AND OPERATING COSTS ARE IN $/YEAR.

FOR YEARS	1	2	3	4	5	6	7	8
THE METAL SALES ARE	22903000.	21172000.	20614000.	20504000.	20392000.	20392000.	17941000.	16427000.
THE OPERATING COSTS ARE	14196000.	14196000.	14196000.	14196000.	14196000.	14196000.	13666000.	12663000.

FOR YEARS	9	10	11	12	13	14	15	16
THE METAL SALES ARE	16427000.	16427000.	16427000.	16316000.	16316000.	16316000.	16316000.	16316000.
THE OPERATING COSTS ARE	12663000.	12663000.	12663000.	12663000.	12663000.	12663000.	12663000.	12663000.

FOR YEARS	17	18	19	20
THE METAL SALES ARE	16316000.	16316000.	16316000.	10066366.
THE OPERATING COSTS ARE	12663000.	11949000.	11429000.	8518746.

THE PERIOD BETWEEN INVESTMENT DATE AND PRODUCTION COMMENCEMENT IS 1.000 YEARS

THE PERIOD BETWEEN LOAN DATE AND PRODUCTION COMMENCEMENT IS 2.500 YEARS.
THE LOAN IS FOR $ 5000000. INTEREST IS TO BE PAID ON THIS LOAN AT 7.500 % AND THE LOAN IS TO BE REPAID AT 90.000 % OF THE GROSS CASH FLOW.
THE PERIOD BETWEEN LOAN DATE AND PRODUCTION COMMENCEMENT IS 2.000 YEARS.
THE LOAN IS FOR $ 35000000. INTEREST IS TO BE PAID ON THIS LOAN AT 7.500 % AND THE LOAN IS TO BE REPAID AT 90.000 % OF THE GROSS CASH FLOW.
THE PERIOD BETWEEN LOAN DATE AND PRODUCTION COMMENCEMENT IS 1.000 YEARS.
THE LOAN IS FOR $ 30180000. INTEREST IS TO BE PAID ON THIS LOAN AT 7.500 % AND THE LOAN IS TO BE REPAID AT 90.000 % OF THE GROSS CASH FLOW.

RATE OF DEPRECIATION %	.0	4.0	10.0	30.0
DEPRECIABLE ASSETS $	480000.	500000.	5551000.	55592000.
PROCESSING ASSETS $	0.	0.	0.	52925000.

THE AMOUNT USED FOR PROCESSING IS $ 2000000.
IN YEAR 11 NEW CAPITAL ASSETS ARE $ 2000000. THE RATE OF DEPRECIATION IS 30.0%.
THE AMOUNT USED FOR PROCESSING IS $ 2000000.

PREPRODUCTION EXPENSES, WHICH ARE RETURNED THROUGH TAX ALLOWANCES, AMOUNT TO $ 3465000.

THE PRESENT VALUE HAS BEEN CALCULATED FOR THE FOLLOWING PERCENTAGES 12.0 14.0 16.0 .

C H A P M A N , W O O D A N D G R I S W O L D LTD .

KERR ADDISON MINES LIMITED
ADANAC PROJECT
CASE 5 A-1
(15,000 TPD $1.82/LB MO)

F A S T W R I T E - O F F C L A I M E D ,
INSTEAD OF THE OLD PERIOD OF EXEMPTION FROM INCOME TAX.

THIS CASH FLOW ASSUMES THE IMPLEMENTATION OF THE PROPOSALS
FOR TAX REFORM SET FORTH IN THE WHITE PAPER OF NOV. 1969, AND AMMENDED AUG. 1970

1000 CANADIAN $	1	2	3	4	5	6	7	8
METAL SALES	22903.	21172.	20514.	20504.	20392.	20392.	17941.	16427.
OPERATING COST	14196.	14196.	14196.	14196.	14196.	14196.	13666.	12663.
OPERATING PROFIT	8707.	6976.	6418.	6308.	6196.	6196.	4275.	3764.
LOAN INTEREST PAID	8707.	6976.	6418.	6308.	6196.	6196.	4275.	3764.
PROVINCIAL MINING TAX ALLOWANCES USING PRESENT LAWS:								
PREPRODUCTION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
ALL.ON DEPR.ASSETS	0.	0.	0.	0.	0.	0.	0.	0.
PROCESSING ALL.	0.	0.	0.	0.	0.	0.	0.	0.
PROV.TAXABLE INCOME	0.	0.	0.	0.	0.	0.	0.	0.
B.C. MINING TAX	0.	0.	0.	0.	0.	0.	0.	0.
FEDERAL INCOME TAX ALLOWANCES:								
ALL.ON DEPR.ASSETS	0.	0.	0.	0.	0.	0.	0.	0.
FAST WRITE-OFF	0.	0.	0.	0.	0.	0.	0.	0.
PREPRODUCTION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
DEPLETION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
FED. TAXABLE INCOME	0.	0.	0.	0.	0.	0.	0.	0.
INCOME TAX @ 35.00%	0.	0.	0.	0.	0.	0.	0.	0.
TOTAL TAXES PAID	0.	0.	0.	0.	0.	0.	0.	0.
GROSS CASH FLOW	0.	0.	0.	0.	0.	0.	0.	0.
NEW CAPITAL ASSETS	0.	0.	0.	0.	0.	0.	0.	0.
LOAN REPAYMENT	0.	0.	0.	0.	0.	0.	0.	0.
WORKING CAP. REDMPT.	0.	0.	0.	0.	0.	0.	0.	0.
UNPAID LOAN BALANCE	70188.	70188.	70188.	70188.	70188.	70188.	70188.	70188.
NET CASH FLOW	0.	0.	0.	0.	0.	0.	0.	0.
CUM. CASH FLOW	0.	0.	0.	0.	0.	0.	0.	0.

C H A P M A N , W O O D A N D G R I S W O L D LTD .

KERR ADDISON MINES LIMITED
ADANAC PROJECT
CASE 5 A-1
(15,000 TPD, $1.82/LB MO)

F A S T W R I T E - O F F C L A I M E D ,
INSTEAD OF THE OLD PERIOD OF EXEMPTION FROM INCOME TAX.

THIS CASH FLOW ASSUMES THE IMPLEMENTATION OF THE PROPOSALS
FOR TAX REFORM SET FORTH IN THE WHITE PAPER OF NOV. 1969, AND AMMENDED AUG. 1970

1000 CANADIAN $	9	10	11	12	13	14	15	16
METAL SALES	16427.	16427.	16427.	16316.	16316.	16316.	16316.	16316.
OPERATING COST	12663.	12663.	12663.	12663.	12663.	12663.	12663.	12663.
OPERATING PROFIT	3764.	3764.	3764.	3653.	3653.	3653.	3653.	3653.
LOAN INTEREST PAID	3764.	3764.	3764.	3653.	3653.	3653.	3653.	3653.
PROVINCIAL MINING TAX ALLOWANCES USING PRESENT LAWS:								
PREPRODUCTION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
ALL.ON DEPR.ASSETS	0.	0.	0.	0.	0.	0.	0.	0.
PROCESSING ALL.	0.	0.	0.	0.	0.	0.	0.	0.
PROV.TAXABLE INCOME	0.	0.	0.	0.	0.	0.	0.	0.
B.C. MINING TAX	0.	0.	0.	0.	0.	0.	0.	0.
FEDERAL INCOME TAX ALLOWANCES:								
ALL.ON DEPR.ASSETS	0.	0.	0.	0.	0.	0.	0.	0.
FAST WRITE-OFF	0.	0.	0.	0.	0.	0.	0.	0.
PREPRODUCTION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
DEPLETION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
FED. TAXABLE INCOME	0.	0.	0.	0.	0.	0.	0.	0.
INCOME TAX @ 35.00%	0.	0.	0.	0.	0.	0.	0.	0.
TOTAL TAXES PAID	0.	0.	0.	0.	0.	0.	0.	0.
GROSS CASH FLOW	0.	0.	0.	0.	0.	0.	0.	0.
NEW CAPITAL ASSETS	0.	0.	0.	0.	0.	0.	0.	0.
LOAN REPAYMENT	0.	0.	0.	0.	0.	0.	0.	0.
WORKING CAP. REDMPT.	0.	0.	0.	0.	0.	0.	0.	0.
UNPAID LOAN BALANCE	70188.	70188.	70188.	70188.	70188.	70188.	70188.	70188.
NET CASH FLOW	0.	0.	0.	0.	0.	0.	0.	0.
CUM. CASH FLOW	0.	0.	0.	0.	0.	0.	0.	0.

C H A P M A N , W O O D A N D G R I S W O L D LTD .

KERR ADDISON MINES LIMITED
ADANAC PROJECT
CASE 5 A-1
(15,000 TPD $1.82/LB MO)

F A S T W R I T E - O F F C L A I M E D ,
INSTEAD OF THE OLD PERIOD OF EXEMPTION FROM INCOME TAX.

THIS CASH FLOW ASSUMES THE IMPLEMENTATION OF THE PROPOSALS
FOR TAX REFORM SET FORTH IN THE WHITE PAPER OF NOV. 1969, AND AMMENDED AUG. 1970

1000 CANADIAN $	17	18	19	20	TOTALS
METAL SALES	16315.	16315.	16315.	10066.	350220.
OPERATING COST	12663.	11949.	11429.	8519.	257369.
OPERATING PROFIT	3653.	4367.	4887.	1548.	92852.
LOAN INTEREST PAID	3653.	4367.	4887.	1548.	92852.
PROVINCIAL MINING TAX ALLOWANCES USING PRESENT LAWS:					
PREPRODUCTION ALL.	0.	0.	0.	0.	0.
ALL.ON DEPR.ASSETS	0.	0.	0.	0.	0.
PROCESSING ALL.	0.	0.	0.	0.	0.
PROV.TAXABLE INCOME	0.	0.	0.	0.	0.
B.C. MINING TAX	0.	0.	0.	0.	0.
FEDERAL INCOME TAX ALLOWANCES:					
ALL.ON DEPR.ASSETS	0.	0.	0.	0.	0.
FAST WRITE-OFF	0.	0.	0.	0.	0.
PREPRODUCTION ALL.	0.	0.	0.	0.	0.
DEPLETION ALL.	0.	0.	0.	0.	0.
FED. TAXABLE INCOME	0.	0.	0.	0.	0.
INCOME TAX @ 35.00%	0.	0.	0.	0.	0.
TOTAL TAXES PAID	0.	0.	0.	0.	0.
GROSS CASH FLOW	0.	0.	0.	0.	0.
NEW CAPITAL ASSETS	0.	0.	0.	0.	0.
LOAN REPAYMENT	0.	0.	0.	0.	0.
WORKING CAP. REDMPT.	0.	0.	0.	4600.	4600.
UNPAID LOAN BALANCE	70188.	70188.	70188.	70188.	
NET CASH FLOW	0.	0.	0.	4600.	4600.
CUM. CASH FLOW	0.	0.	0.	4600.	

C H A P M A N , A D A M S A N D G R I S W O L D L T D .
C A S H F L O W P R O J E C T I O N S

KERR ADDISON MINES LIMITED
ADANAC PROJECT
CASE 5 B-1
(18,000 TPD $1.82/LB MO)

F A S T W R I T E - O F F C L A I M E D ,
INSTEAD OF THE OLD PERIOD OF EXEMPTION FROM INCOME TAX.

THIS CASH FLOW ASSUMES THE IMPLEMENTATION OF THE PROPOSALS
FOR TAX REFORM SET FORTH IN THE WHITE PAPER OF NOV. 1969, AND AMMENDED AUG. 1970

TERMS OF REFERENCE AND CONTROLS

RESERVES = 104274000. TONS MINING RATE = 6300000. TONS/YEAR FOR ALL YEARS OF PRODUCTION
MINELIFE = 16.545 YEARS NUMBER OF YEARS IN OPERATION = 17 YEARS

FOR YEARS	1	2	3	4	5	6	7	8	9	10
THE PRORATING FACTORS ARE	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
FOR YEARS	11	12	13	14	15	16	17			
THE PRORATING FACTORS ARE	1.000	1.000	1.000	1.000	1.000	1.000	.545			

THE METAL SALES AND OPERATING COSTS VARY FROM YEAR TO YEAR AS FOLLOWS. BOTH METAL SALES AND OPERATING COSTS ARE IN $/YEAR.

FOR YEARS	1	2	3	4	5	6	7	8
THE METAL SALES ARE	27493000.	24737000.	24604000.	24470000.	24470000.	21529000.	19580000.	19580000.
THE OPERATING COSTS ARE	16292000.	16292000.	16292000.	16292000.	16292000.	14395000.	14364000.	14364000.

FOR YEARS	9	10	11	12	13	14	15	16
THE METAL SALES ARE	19580000.	19580000.	19580000.	19580000.	19580000.	19580000.	19580000.	18584000.
THE OPERATING COSTS ARE	14364000.	14364000.	14364000.	14364000.	14364000.	14364000.	14364000.	12499000.

FOR YEARS	17
THE METAL SALES ARE	7675251.
THE OPERATING COSTS ARE	5197006.

THE PERIOD BETWEEN INVESTMENT DATE AND PRODUCTION COMMENCEMENT IS 1.000 YEARS

THE PERIOD BETWEEN LOAN DATE AND PRODUCTION COMMENCEMENT IS 2.500 YEARS.
THE LOAN IS FOR $ 5000000. INTEREST IS TO BE PAID ON THIS LOAN AT 7.500 % AND THE LOAN IS TO BE REPAID AT 90.000 % OF THE GROSS CASH FLOW.
THE PERIOD BETWEEN LOAN DATE AND PRODUCTION COMMENCEMENT IS 2.000 YEARS.
THE LOAN IS FOR $ 35000000. INTEREST IS TO BE PAID ON THIS LOAN AT 7.500 % AND THE LOAN IS TO BE REPAID AT 90.000 % OF THE GROSS CASH FLOW.
THE PERIOD BETWEEN LOAN DATE AND PRODUCTION COMMENCEMENT IS 1.000 YEARS.
THE LOAN IS FOR $ 33763000. INTEREST IS TO BE PAID ON THIS LOAN AT 7.500 % AND THE LOAN IS TO BE REPAID AT 90.000 % OF THE GROSS CASH FLOW.

RATE OF DEPRECIATION %	.0	4.0	10.0	30.0
DEPRECIABLE ASSETS $	480000.	500000.	5551000.	58767000.
PROCESSING ASSETS $	0.	0.	0.	56099000.

IN YEAR 5 NEW CAPITAL ASSETS ARE $ 2500000. THE RATE OF DEPRECIATION IS 30.0%.
THE AMOUNT USED FOR PROCESSING IS $ 2500000.
IN YEAR 11 NEW CAPITAL ASSETS ARE $ 2500000. THE RATE OF DEPRECIATION IS 30.0%.
THE AMOUNT USED FOR PROCESSING IS $ 2500000.

PREPRODUCTION EXPENSES, WHICH ARE RETURNED THROUGH TAX ALLOWANCES, AMOUNT TO $ 3465000.

THE PRESENT VALUE HAS BEEN CALCULATED FOR THE FOLLOWING PERCENTAGES 12.0 14.0 16.0

C H A P M A N , W O O D A N D G R I S W O L D LTD .

KERR ADDISON MINES LIMITED
ADANAC PROJECT
CASE 5 B-1
(18,000 TPD $1.82/LB MO)

F A S T W R I T E - O F F C L A I M E D ,
INSTEAD OF THE OLD PERIOD OF EXEMPTION FROM INCOME TAX.

THIS CASH FLOW ASSUMES THE IMPLEMENTATION OF THE PROPOSALS
FOR TAX REFORM SET FORTH IN THE WHITE PAPER OF NOV. 1969, AND AMMENDED AUG. 1970

1000 CANADIAN $	1	2	3	4	5	6	7	8
METAL SALES	27483.	24737.	24604.	24470.	24470.	21529.	19580.	19580.
OPERATING COST	16292.	16292.	16292.	16292.	16292.	14395.	14364.	14364.
OPERATING PROFIT	11191.	8445.	8312.	8179.	8178.	7134.	5216.	5216.
LOAN INTEREST PAID	11191.	8445.	7005.	5444.	5259.	5231.	5103.	5095.
PROVINCIAL MINING TAX ALLOWANCES USING PRESENT LAWS:								
PREPRODUCTION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
ALL.ON DEPR.ASSETS	0.	0.	1297.	2724.	2909.	1893.	103.	111.
PROCESSING ALL.	0.	0.	0.	0.	0.	0.	0.	0.
PROV.TAXABLE INCOME	0.	0.	10.	10.	10.	10.	10.	10.
B.C. MINING TAX	0.	0.	0.	0.	0.	0.	0.	0.
FEDERAL INCOME TAX ALLOWANCES:								
ALL.ON DEPR.ASSETS	0.	0.	575.	519.	1218.	947.	113.	121.
FAST WRITE-OFF	0.	0.	732.	2215.	1700.	955.	0.	0.
PREPRODUCTION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
DEPLETION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
FED. TAXABLE INCOME	0.	0.	0.	0.	0.	0.	0.	0.
INCOME TAX @ 35.00%	0.	0.	0.	0.	0.	0.	0.	0.
TOTAL TAXES PAID	0.	0.	0.	0.	0.	0.	0.	0.
GROSS CASH FLOW	0.	0.	1307.	2734.	2919.	1903.	113.	121.
NEW CAPITAL ASSETS	0.	0.	0.	0.	2500.	0.	0.	0.
LOAN REPAYMENT	0.	0.	1176.	2461.	377.	1713.	102.	109.
WORKING CAP. REDMPT.	0.	0.	0.	0.	0.	0.	0.	0.
UNPAID LOAN BALANCE	73763.	73763.	72587.	70126.	69749.	68037.	67935.	67826.
NET CASH FLOW	0.	0.	131.	273.	42.	190.	11.	12.
CUM. CASH FLOW	0.	0.	131.	404.	446.	636.	648.	660.

C H A P M A N , W O O D A N D G R I S W O L D LTD .

KERR ADDISON MINES LIMITED
ADANAC PROJECT
CASE S B-1
(18,000 TPD - $1.82/LB MO)

F A S T W R I T E - O F F C L A I M E D ,
INSTEAD OF THE OLD PERIOD OF EXEMPTION FROM INCOME TAX.

THIS CASH FLOW ASSUMES THE IMPLEMENTATION OF THE PROPOSALS
FOR TAX REFORM SET FORTH IN THE WHITE PAPER OF NOV. 1969, AND AMMENDED AUG. 1970

1000 CANADIAN $	9	10	11	12	13	14	15	16
METAL SALES	19580.	19580.	19580.	19580.	19580.	19580.	19580.	18584.
OPERATING COST	14364.	14364.	14364.	14364.	14364.	14364.	14364.	12499.
OPERATING PROFIT	5216.	5216.	5216.	5216.	5216.	5216.	5216.	6085.
LOAN INTEREST PAID	5087.	5078.	5069.	5069.	5059.	5048.	5037.	5025.
PROVINCIAL MINING TAX ALLOWANCES USING PRESENT LAWS:								
PREPRODUCTION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
ALL.ON DEPR.ASSETS	119.	128.	137.	137.	147.	158.	169.	1050.
PROCESSING ALL.	0.	0.	0.	0.	0.	0.	0.	0.
PROV.TAXABLE INCOME	10.	10.	10.	10.	10.	10.	10.	10.
B.C. MINING TAX	0.	0.	0.	0.	0.	0.	0.	0.
FEDERAL INCOME TAX ALLOWANCES:								
ALL.ON DEPR.ASSETS	129.	138.	147.	147.	157.	168.	179.	1060.
FAST WRITE-OFF	0.	0.	0.	0.	0.	0.	0.	0.
PREPRODUCTION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
DEPLETION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
FED. TAXABLE INCOME	0.	0.	0.	0.	0.	0.	0.	0.
INCOME TAX @ 35.00%	0.	0.	0.	0.	0.	0.	0.	0.
TOTAL TAXES PAID	0.	0.	0.	0.	0.	0.	0.	0.
GROSS CASH FLOW	129.	138.	147.	147.	157.	168.	179.	1060.
NEW CAPITAL ASSETS	0.	0.	2500.	0.	0.	0.	0.	0.
LOAN REPAYMENT	116.	124.	0.	132.	141.	151.	161.	954.
WORKING CAP. REDMPT.	0.	0.	0.	0.	0.	0.	0.	0.
UNPAID LOAN BALANCE	67710.	67586.	67586.	67454.	67312.	67162.	67001.	66047.
NET CASH FLOW	13.	14.	-2353.	15.	16.	17.	18.	106.
CUM. CASH FLOW	673.	686.	-1667.	-1552.	-1636.	-1619.	-1602.	-1496.

C H A P M A N , W O O D A N D G R I S W O L D LTD .

KERR ADDISON MINES LIMITED
ADANAC PROJECT
CASE 5 B-1
(18,000 TPD $1.82/LB MO)

F A S T W R I T E-O F F C L A I M E D ,
INSTEAD OF THE OLD PERIOD OF EXEMPTION FROM INCOME TAX.

THIS CASH FLOW ASSUMES THE IMPLEMENTATION OF THE PROPOSALS
FOR TAX REFORM SET FORTH IN THE WHITE PAPER OF NOV. 1969, AND AMMENDED AUG. 1970

1000 CANADIAN $	17	TOTALS
METAL SALES	7675.	349772.
OPERATING COST	6197.	243827.
OPERATING PROFIT	1478.	105945.
LOAN INTEREST PAID	1478.	94724.
PROVINCIAL MINING TAX ALLOWANCES USING PRESENT LAWS:		
PREPRODUCTION ALL.	0.	0.
ALL.ON DEPR.ASSETS	0.	11081.
PROCESSING ALL.	0.	0.
PROV.TAXABLE INCOME	0.	140.
B.C. MINING TAX	0.	0.
FEDERAL INCOME TAX ALLOWANCES:		
ALL.ON DEPR.ASSETS	0.	5618.
FAST WRITE-OFF	0.	5503.
PREPRODUCTION ALL.	0.	0.
DEPLETION ALL.	0.	0.
FED. TAXABLE INCOME	0.	0.
INCOME TAX @ 35.00%	0.	0.
TOTAL TAXES PAID	0.	0.
GROSS CASH FLOW	0.	11221.
NEW CAPITAL ASSETS	0.	5000.
LOAN REPAYMENT	0.	7716.
WORKING CAP. REQMT.	5000.	5000.
UNPAID LOAN BALANCE	66047.	
NET CASH FLOW	5000.	3504.
CUM. CASH FLOW	3504.	

CHAPMAN, WOOD AND GRISWOLD LTD.
CASH FLOW PROJECTIONS

KERR ADDISON MINES LIMITED
ADANAC PROJECT
CASE 5 B-2
(18,000 TPD $1.92/LB MO)

FAST WRITE-OFF CLAIMED,
INSTEAD OF THE OLD PERIOD OF EXEMPTION FROM INCOME TAX.

THIS CASH FLOW ASSUMES THE IMPLEMENTATION OF THE PROPOSALS
FOR TAX REFORM SET FORTH IN THE WHITE PAPER OF NOV. 1969, AND AMMENDED AUG. 1970

TERMS OF REFERENCE AND CONTROLS

RESERVES = 104234000. TONS MINING RATE = 6300000. TONS/YEAR FOR ALL YEARS OF PRODUCTION
MINELIFE = 16.545 YEARS NUMBER OF YEARS IN OPERATION = 17 YEARS

FOR YEARS	1	2	3	4	5	6	7	8	9	10
THE PRORATING FACTORS ARE	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
FOR YEARS	11	12	13	14	15	16	17			
THE PRORATING FACTORS ARE	1.000	1.000	1.000	1.000	1.000	1.000	.545			

THE METAL SALES AND OPERATING COSTS VARY FROM YEAR TO YEAR AS FOLLOWS. BOTH METAL SALES AND OPERATING COSTS ARE IN $/YEAR.

FOR YEARS	1	2	3	4	5	6	7	8
THE METAL SALES ARE	28992000.	26096000.	25955000.	25814000.	25814000.	22711000.	20655000.	20655000.
THE OPERATING COSTS ARE	16292000.	16292000.	16292000.	16292000.	16292000.	14395000.	14364000.	14364000.

FOR YEARS	9	10	11	12	13	14	15	16
THE METAL SALES ARE	20655000.	20655000.	20655000.	20655000.	20655000.	20655000.	20655000.	19605000.
THE OPERATING COSTS ARE	14364000.	14364000.	14364000.	14364000.	14364000.	14364000.	14364000.	12499000.

FOR YEARS	17
THE METAL SALES ARE	8936052.
THE OPERATING COSTS ARE	6197006.

THE PERIOD BETWEEN INVESTMENT DATE AND PRODUCTION COMMENCEMENT IS 1.000 YEARS

THE PERIOD BETWEEN LOAN DATE AND PRODUCTION COMMENCEMENT IS 2.500 YEARS.
THE LOAN IS FOR $ 5000000. INTEREST IS TO BE PAID ON THIS LOAN AT 7.500 % AND THE LOAN IS TO BE REPAID AT 90.000 % OF THE GROSS CASH FLOW.
THE PERIOD BETWEEN LOAN DATE AND PRODUCTION COMMENCEMENT IS 2.000 YEARS.
THE LOAN IS FOR $ 35000000. INTEREST IS TO BE PAID ON THIS LOAN AT 7.500 % AND THE LOAN IS TO BE REPAID AT 90.000 % OF THE GROSS CASH FLOW.
THE PERIOD BETWEEN LOAN DATE AND PRODUCTION COMMENCEMENT IS 1.000 YEARS.
THE LOAN IS FOR $ 33763000. INTEREST IS TO BE PAID ON THIS LOAN AT 7.500 % AND THE LOAN IS TO BE REPAID AT 90.000 % OF THE GROSS CASH FLOW.

RATE OF DEPRECIATION %	.0	4.0	10.0	30.0
DEPRECIABLE ASSETS $	480000.	500000.	5551000.	58767000.
PROCESSING ASSETS $	0.	0.	0.	56099000.

IN YEAR 5 NEW CAPITAL ASSETS ARE $ 2500000. THE RATE OF DEPRECIATION IS 30.0%.
THE AMOUNT USED FOR PROCESSING IS $ 2500000.
IN YEAR 11 NEW CAPITAL ASSETS ARE $ 2500000. THE RATE OF DEPRECIATION IS 30.0%.
THE AMOUNT USED FOR PROCESSING IS $ 2500000.

PREPRODUCTION EXPENSES, WHICH ARE RETURNED THROUGH TAX ALLOWANCES, AMOUNT TO $ 3465000.

THE PRESENT VALUE HAS BEEN CALCULATED FOR THE FOLLOWING PERCENTAGES 12.0 14.0 16.0

C H A P M A N , W O O D A N D G R I S W O L D LTD .

KERR ADDISON MINES LIMITED
ADANAC PROJECT
CASE S 8-2
(18,000 TPD $1.92/LB MO)

F A S T W R I T E - O F F C L A I M E D ,
INSTEAD OF THE OLD PERIOD OF EXEMPTION FROM INCOME TAX.

THIS CASH FLOW ASSUMES THE IMPLEMENTATION OF THE PROPOSALS
FOR TAX REFORM SET FORTH IN THE WHITE PAPER OF NOV. 1969, AND AMMENDED AUG. 1970

1000 CANADIAN $	1	2	3	4	5	6	7	8
METAL SALES	29992.	26096.	25955.	25814.	25814.	22711.	20655.	20655.
OPERATING COST	16292.	16292.	16292.	16292.	16292.	14395.	14364.	14364.
OPERATING PROFIT	12700.	9804.	9663.	9522.	9522.	8316.	6291.	6291.
LOAN INTEREST PAID	12700.	8193.	5423.	5137.	4841.	4694.	4450.	4325.
PROVINCIAL MINING TAX ALLOWANCES USING PRESENT LAWS:								
PREPRODUCTION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
ALL.ON DEPR.ASSETS	0.	1601.	4230.	4375.	4671.	3612.	1831.	1956.
PROCESSING ALL.	0.	0.	0.	0.	0.	0.	0.	0.
PROV.TAXABLE INCOME	0.	10.	10.	10.	10.	10.	10.	10.
B.C. MINING TAX	0.	0.	0.	0.	0.	0.	0.	0.
FEDERAL INCOME TAX ALLOWANCES:								
ALL.ON DEPR.ASSETS	0.	575.	519.	468.	1172.	906.	712.	568.
FAST WRITE-OFF	0.	1036.	3721.	3917.	3508.	2716.	1130.	1398.
PREPRODUCTION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
DEPLETION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
FED. TAXABLE INCOME	0.	0.	0.	0.	0.	0.	0.	0.
INCOME TAX @ 35.00%	0.	0.	0.	0.	0.	0.	0.	0.
TOTAL TAXES PAID	0.	0.	0.	0.	0.	0.	0.	0.
GROSS CASH FLOW	0.	1611.	4240.	4385.	4681.	3622.	1841.	1966.
NEW CAPITAL ASSETS	0.	0.	0.	0.	2500.	0.	0.	0.
LOAN REPAYMENT	0.	1450.	3816.	3945.	1963.	3260.	1657.	1769.
WORKING CAP. REDMPT.	0.	0.	0.	0.	0.	0.	0.	0.
UNPAID LOAN BALANCE	73763.	72313.	68497.	64551.	62589.	59329.	57672.	55903.
NET CASH FLOW	0.	161.	424.	438.	218.	362.	184.	197.
CUM. CASH FLOW	0.	161.	585.	1024.	1242.	1604.	1788.	1984.

C H A P M A N , W O O D A N D G R I S W O L D LTD .

KERR ADDISON MINES LIMITED
ADANAC PROJECT
CASE 5 B-2
(18,000 TPD $1.92/LB MO)

F A S T W R I T E - O F F C L A I M E D ,
INSTEAD OF THE OLD PERIOD OF EXEMPTION FROM INCOME TAX.

THIS CASH FLOW ASSUMES THE IMPLEMENTATION OF THE PROPOSALS
FOR TAX REFORM SET FORTH IN THE WHITE PAPER OF NOV. 1969, AND AMMENDED AUG. 1970

1000 CANADIAN $	9	10	11	12	13	14	15	16
METAL SALES	20655.	20655.	20655.	20655.	20655.	20655.	20655.	19605.
OPERATING COST	14364.	14364.	14364.	14364.	14364.	14364.	14364.	12499.
OPERATING PROFIT	6291.	6291.	6291.	6291.	6291.	6291.	6291.	7106.
LOAN INTEREST PAID	4193.	4051.	3900.	3900.	3738.	3566.	3382.	3186.
PROVINCIAL MINING TAX ALLOWANCES USING PRESENT LAWS:								
PREPRODUCTION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
ALL.ON DEPR.ASSETS	2098.	2230.	2381.	2381.	2543.	2715.	2899.	3910.
PROCESSING ALL.	0.	0.	0.	0.	0.	0.	0.	0.
PROV.TAXABLE INCOME	10.	10.	10.	10.	10.	10.	10.	10.
B.C. MINING TAX	0.	0.	0.	0.	0.	0.	0.	0.
FEDERAL INCOME TAX ALLOWANCES:								
ALL.ON DEPR.ASSETS	461.	379.	1067.	794.	598.	457.	354.	279.
FAST WRITE-OFF	1638.	1961.	1324.	1598.	1955.	2268.	2555.	3641.
PREPRODUCTION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
DEPLETION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
FED. TAXABLE INCOME	0.	0.	0.	0.	0.	0.	0.	0.
INCOME TAX @ 35.00%	0.	0.	0.	0.	0.	0.	0.	0.
TOTAL TAXES PAID	0.	0.	0.	0.	0.	0.	0.	0.
GROSS CASH FLOW	2098.	2240.	2391.	2391.	2553.	2725.	2909.	3920.
NEW CAPITAL ASSETS	0.	0.	2500.	0.	0.	0.	0.	0.
LOAN REPAYMENT	1888.	2016.	0.	2152.	2297.	2452.	2618.	3528.
WORKING CAP. REDMPT.	0.	0.	0.	0.	0.	0.	0.	0.
UNPAID LOAN BALANCE	54014.	51998.	51998.	49846.	47549.	45096.	42479.	38951.
NET CASH FLOW	210.	224.	-109.	239.	255.	272.	291.	392.
CUM. CASH FLOW	2194.	2418.	2309.	2549.	2804.	3076.	3367.	3759.

THE NET CASH FLOW IS NEGATIVE IN YEAR 11. NO NEW LOAN HAS BEEN FLOATED.

C H A P M A N , W O O D A N D G R I S W O L D LTD .

KERR ADDISON MINES LIMITED
ADANAC PROJECT
CASE S B-2
(1?,000 TPD $1.92/LB MO)

F A S T W R I T E - O F F C L A I M E D ,
INSTEAD OF THE OLD PERIOD OF EXEMPTION FROM INCOME TAX.

THIS CASH FLOW ASSUMES THE IMPLEMENTATION OF THE PROPOSALS
FOR TAX REFORM SET FORTH IN THE WHITE PAPER OF NOV. 1969, AND AMMENDED AUG. 1970

1000 CANADIAN $	17	TOTALS
METAL SALES	8096.	368978.
OPERATING COST	6197.	243827.
OPERATING PROFIT	1899.	125151.
LOAN INTEREST PAID	1899.	81579.
PROVINCIAL MINING TAX ALLOWANCES USING PRESENT LAWS:		
PREPRODUCTION ALL.	0.	0.
ALL.ON DEPR.ASSETS	0.	43422.
PROCESSING ALL.	0.	0.
PROV.TAXABLE INCOME	0.	150.
B.C. MINING TAX	0.	0.
FEDERAL INCOME TAX ALLOWANCES:		
ALL.ON DEPR.ASSETS	0.	9308.
FAST WRITE-OFF	0.	34263.
PREPRODUCTION ALL.	0.	0.
DEPLETION ALL.	0.	0.
FED. TAXABLE INCOME	0.	0.
INCOME TAX @ 35.00%	0.	0.
TOTAL TAXES PAID	0.	0.
GROSS CASH FLOW	0.	43572.
NEW CAPITAL ASSETS	0.	5000.
LOAN REPAYMENT	0.	34812.
WORKING CAP. REDMPT.	5000.	5000.
UNPAID LOAN BALANCE	38951.	
NET CASH FLOW	5000.	8759.
CUM. CASH FLOW	8759.	

C H A P M A N , W O O D A N D G R I S W O L D L T D .
C A S H F L O W P R O J E C T I O N S

KERR ADDISON MINES LIMITED
ADANAC PROJECT
CASE S 8-3
(19,000 TPD $1.92/LB MO EQUITY)

F A S T W R I T E - O F F C L A I M E D ,
INSTEAD OF THE OLD PERIOD OF EXEMPTION FROM INCOME TAX.

THIS CASH FLOW ASSUMES THE IMPLEMENTATION OF THE PROPOSALS
FOR TAX REFORM SET FORTH IN THE WHITE PAPER OF NOV. 1969, AND AMMENDED AUG. 1970

TERMS OF REFERENCE AND CONTROLS

RESERVES = 104234000. TONS MINING RATE = 6300000. TONS/YEAR FOR ALL YEARS OF PRODUCTION
MINELIFE = 16.545 YEARS NUMBER OF YEARS IN OPERATION = 17 YEARS

FOR YEARS	1	2	3	4	5	6	7	8	9	10
THE PRORATING FACTORS ARE	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
FOR YEARS	11	12	13	14	15	16	17			
THE PRORATING FACTORS ARE	1.000	1.000	1.000	1.000	1.000	1.000	.545			

THE METAL SALES AND OPERATING COSTS VARY FROM YEAR TO YEAR AS FOLLOWS. BOTH METAL SALES AND OPERATING COSTS ARE IN $/YEAR.

FOR YEARS	1	2	3	4	5	6	7	8
THE METAL SALES ARE	23992000.	26096000.	25955000.	25814000.	25814000.	22711000.	20655000.	20655000.
THE OPERATING COSTS ARE	16292000.	16292000.	16292000.	16292000.	16292000.	14395000.	14364000.	14364000.

FOR YEARS	9	10	11	12	13	14	15	16
THE METAL SALES ARE	20655000.	20655000.	20655000.	20655000.	20655000.	20655000.	20655000.	19605000.
THE OPERATING COSTS ARE	14364000.	14364000.	14364000.	14364000.	14364000.	14364000.	14364000.	12499000.

FOR YEARS	17
THE METAL SALES ARE	8896062.
THE OPERATING COSTS ARE	5197006.

THE PERIOD BETWEEN INVESTMENT DATE AND PRODUCTION COMMENCEMENT IS 1.000 YEARS

THERE ARE NO LOANS IN THIS CASH FLOW.

RATE OF DEPRECIATION %	.0	4.0	10.0	30.0
DEPRECIABLE ASSETS $	480000.	500000.	5551000.	58767000.
PROCESSING ASSETS $	0.	0.	0.	56099000.

IN YEAR 5 NEW CAPITAL ASSETS ARE $ 2500000. THE RATE OF DEPRECIATION IS 30.0%.
THE AMOUNT USED FOR PROCESSING IS $ 2500000.
IN YEAR 11 NEW CAPITAL ASSETS ARE $ 2500000. THE RATE OF DEPRECIATION IS 30.0%.
THE AMOUNT USED FOR PROCESSING IS $ 2500000.

PREPRODUCTION EXPENSES, WHICH ARE RETURNED THROUGH TAX ALLOWANCES, AMOUNT TO $ 3465000.

THE PRESENT VALUE HAS BEEN CALCULATED FOR THE FOLLOWING PERCENTAGES 12.0 14.0 16.0

C H A P M A N , W O O D A N D G R I S W O L D LTD .

KERR ADDISON MINES LIMITED
ADANAC PROJECT
CASE 5 B-3
(18,000 TPD $1.92/LB MO EQUITY)

F A S T W R I T E - O F F C L A I M E D ,
INSTEAD OF THE OLD PERIOD OF EXEMPTION FROM INCOME TAX.

THIS CASH FLOW ASSUMES THE IMPLEMENTATION OF THE PROPOSALS
FOR TAX REFORM SET FORTH IN THE WHITE PAPER OF NOV. 1969, AND AMMENDED AUG. 1970

1000 CANADIAN $	1	2	3	4	5	6	7	8
METAL SALES	28992.	26096.	25955.	25814.	25814.	22711.	20655.	20655.
OPERATING COST	16292.	16292.	16292.	16292.	16292.	14395.	14364.	14364.
OPERATING PROFIT	12700.	9804.	9663.	9522.	9522.	8316.	6291.	6291.
LOAN INTEREST PAID	0.	0.	0.	0.	0.	0.	0.	0.
PROVINCIAL MINING TAX ALLOWANCES USING PRESENT LAWS:								
PREPRODUCTION ALL.	0.	0.	0.	632.	2461.	372.	0.	0.
ALL.ON DEPR.ASSETS	12690.	9794.	9653.	8880.	7051.	5013.	3579.	2568.
PROCESSING ALL.	0.	0.	0.	0.	0.	1195.	836.	586.
PROV.TAXABLE INCOME	10.	10.	10.	10.	10.	1735.	1875.	3137.
B.C. MINING TAX	0.	0.	0.	0.	0.	259.	280.	469.
FEDERAL INCOME TAX ALLOWANCES:								
ALL.ON DEPR.ASSETS	575.	519.	468.	422.	1131.	869.	678.	538.
FAST WRITE-OFF	12125.	9285.	9195.	9100.	8391.	7447.	3225.	0.
PREPRODUCTION ALL.	0.	0.	0.	0.	0.	0.	2388.	1077.
DEPLETION ALL.	0.	0.	0.	0.	0.	0.	0.	1559.
FED. TAXABLE INCOME	0.	0.	0.	0.	0.	0.	0.	3118.
INCOME TAX @ 35.00%	0.	0.	0.	0.	0.	0.	0.	1091.
TOTAL TAXES PAID	0.	0.	0.	0.	0.	259.	280.	1560.
GROSS CASH FLOW	12700.	9804.	9663.	9522.	9522.	8057.	6011.	4731.
NEW CAPITAL ASSETS	0.	0.	0.	0.	2500.	0.	0.	0.
LOAN REPAYMENT	0.	0.	0.	0.	0.	0.	0.	0.
WORKING CAP. REDMPT.	0.	0.	0.	0.	0.	0.	0.	0.
UNPAID LOAN BALANCE	0.	0.	0.	0.	0.	0.	0.	0.
NET CASH FLOW	12700.	9804.	9663.	9522.	7022.	8057.	6011.	4731.
CUM. CASH FLOW	12700.	22504.	32167.	41689.	48711.	56768.	62779.	67510.

C H A P M A N , W O O D A N D G R I S W O L D LTD .

KERR ADDISON MINES LIMITED
ADANAC PROJECT
CASE 5 B-3
(18,000 TPD $1.92/LB MO EQUITY)

F A S T W R I T E - O F F C L A I M E D ,
INSTEAD OF THE OLD PERIOD OF EXEMPTION FROM INCOME TAX.

THIS CASH FLOW ASSUMES THE IMPLEMENTATION OF THE PROPOSALS
FOR TAX REFORM SET FORTH IN THE WHITE PAPER OF NOV. 1969, AND AMMENDED AUG. 1970

1000 CANADIAN $	1	2	3	4	5	6	7	8
PRESENT VALUE OF NET CASH FLOW								
PV TAKEN AT 12.00 %	10124.	6978.	6141.	5403.	3558.	3645.	2428.	1706.
CUMULATIVE PV	10124.	17103.	23244.	28647.	32204.	35849.	38277.	39983.
PV TAKEN AT 14.00 %	9772.	6617.	5721.	4945.	3199.	3220.	2107.	1455.
CUMULATIVE PV	9772.	16390.	22111.	27056.	30255.	33475.	35583.	37037.
PV TAKEN AT 16.00 %	9438.	6281.	5337.	4534.	2882.	2851.	1834.	1244.
CUMULATIVE PV	9438.	15719.	21056.	25590.	28472.	31323.	33156.	34400.

C H A P M A N , W O O D A N D G R I S W O L D LTD .

KERR ADDISON MINES LIMITED
ADANAC PROJECT
CASE 5 B-3
(19,000 TPD $1.92/LB MO EQUITY)

F A S T W R I T E - O F F C L A I M E D ,
INSTEAD OF THE OLD PERIOD OF EXEMPTION FROM INCOME TAX.

THIS CASH FLOW ASSUMES THE IMPLEMENTATION OF THE PROPOSALS
FOR TAX REFORM SET FORTH IN THE WHITE PAPER OF NOV. 1969, AND AMMENDED AUG. 1970

1000 CANADIAN $	9	10	11	12	13	14	15	16
METAL SALES	20655.	20655.	20655.	20655.	20655.	20655.	20655.	19605.
OPERATING COST	14364.	14364.	14364.	14364.	14364.	14364.	14364.	12499.
OPERATING PROFIT	6291.	6291.	6291.	6291.	6291.	6291.	6291.	7106.
LOAN INTEREST PAID	0.	0.	0.	0.	0.	0.	0.	0.
PROVINCIAL MINING TAX ALLOWANCES USING PRESENT LAWS:								
PREPRODUCTION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
ALL.ON DEPR.ASSETS	1855.	1350.	1742.	1261.	921.	679.	507.	383.
PROCESSING ALL.	565.	741.	682.	754.	805.	842.	868.	1008.
PROV.TAXABLE INCOME	3771.	4200.	3867.	4275.	4564.	4770.	4917.	5714.
B.C. MINING TAX	564.	628.	579.	640.	683.	714.	736.	856.
FEDERAL INCOME TAX ALLOWANCES:								
ALL.ON DEPR.ASSETS	433.	355.	1045.	774.	580.	440.	340.	266.
FAST WRITE-OFF	0.	0.	0.	0.	0.	0.	0.	0.
PREPRODUCTION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
DEPLETION ALL.	1953.	1979.	1749.	1839.	1904.	1950.	1984.	2280.
FED. TAXABLE INCOME	3905.	3957.	3497.	3678.	3807.	3900.	3968.	4560.
INCOME TAX @ 35.00%	1367.	1385.	1224.	1287.	1333.	1365.	1389.	1596.
TOTAL TAXES PAID	1931.	2014.	1803.	1927.	2016.	2079.	2125.	2452.
GROSS CASH FLOW	4360.	4277.	4488.	4364.	4275.	4212.	4166.	4654.
NEW CAPITAL ASSETS	0.	0.	2500.	0.	0.	0.	0.	0.
LOAN REPAYMENT	0.	0.	0.	0.	0.	0.	0.	0.
WORKING CAP. REDMPT.	0.	0.	0.	0.	0.	0.	0.	0.
UNPAID LOAN BALANCE	0.	0.	0.	0.	0.	0.	0.	0.
NET CASH FLOW	4360.	4277.	1988.	4364.	4275.	4212.	4166.	4654.
CUM. CASH FLOW	71870.	76148.	78136.	82500.	86775.	90987.	95153.	99808.

C H A P M A N , W O O D A N D G R I S W O L D LTD .

KERR ADDISON MINES LIMITED
ADANAC PROJECT
CASE 5 B-3
(18,000 TPD $1.92/LB MO EQUITY)

F A S T W R I T E - O F F C L A I M E D ,
INSTEAD OF THE OLD PERIOD OF EXEMPTION FROM INCOME TAX.

THIS CASH FLOW ASSUMES THE IMPLEMENTATION OF THE PROPOSALS
FOR TAX REFORM SET FORTH IN THE WHITE PAPER OF NOV. 1969, AND AMMENDED AUG. 1970

1000 CANADIAN $	9	10	11	12	13	14	15	16
PRESENT VALUE OF NET CASH FLOW								
PV TAKEN AT 12.00 %	1404.	1230.	510.	1000.	875.	769.	680.	678.
CUMULATIVE PV	41387.	42615.	43127.	44127.	45001.	45771.	46451.	47128.
PV TAKEN AT 14.00 %	1176.	1012.	413.	795.	683.	590.	512.	502.
CUMULATIVE PV	38214.	39226.	39638.	40433.	41116.	41706.	42218.	42720.
PV TAKEN AT 16.00 %	988.	836.	335.	634.	535.	455.	388.	373.
CUMULATIVE PV	35388.	36224.	36559.	37193.	37728.	38183.	38570.	38944.

C H A P M A N , W O O D A N D G R I S W O L D LTD .

KERR ADDISON MINES LIMITED
ADANAC PROJECT
CASE 5 B-3
(18,000 TPD $1.92/LB MO EQUITY)

F A S T W R I T E - O F F C L A I M E D ,
INSTEAD OF THE OLD PERIOD OF EXEMPTION FROM INCOME TAX.

THIS CASH FLOW ASSUMES THE IMPLEMENTATION OF THE PROPOSALS
FOR TAX REFORM SET FORTH IN THE WHITE PAPER OF NOV. 1969, AND AMMENDED AUG. 1970

1000 CANADIAN $	17	TOTALS
METAL SALES	8095.	368979.
OPERATING COST	6197.	243827.
OPERATING PROFIT	1899.	125151.
LOAN INTEREST PAID	0.	0.
PROVINCIAL MINING TAX ALLOWANCES USING PRESENT LAWS:		
PREPRODUCTION ALL.	0.	3465.
ALL.ON DEPR.ASSETS	1891.	69818.
PROCESSING ALL.	5.	8489.
PROV.TAXABLE INCOME	3.	42979.
B.C. MINING TAX	0.	6407.
FEDERAL INCOME TAX ALLOWANCES:		
ALL.ON DEPR.ASSETS	1618.	11051.
FAST WRITE-OFF	0.	58767.
PREPRODUCTION ALL.	0.	3465.
DEPLETION ALL.	94.	17289.
FED. TAXABLE INCOME	188.	34579.
INCOME TAX @ 35.00%	66.	12103.
TOTAL TAXES PAID	66.	18510.
GROSS CASH FLOW	1833.	106641.
NEW CAPITAL ASSETS	0.	5000.
LOAN PREPAYMENT	0.	0.
WORKING CAP. REDMPT.	5000.	5000.
UNPAID LOAN BALANCE	0.	
NET CASH FLOW	6833.	106641.
CUM. CASH FLOW	106641.	

C H A P M A N , W O O D A N D G R I S W O L D LTD .

KERR ADDISON MINES LIMITED
ADANAC PROJECT
CASE 5 8-3
(18,000 TPD $1.92/LB MO EQUITY)

F A S T W R I T E - O F F C L A I M E D ,
INSTEAD OF THE OLD PERIOD OF EXEMPTION FROM INCOME TAX.

THIS CASH FLOW ASSUMES THE IMPLEMENTATION OF THE PROPOSALS
FOR TAX REFORM SET FORTH IN THE WHITE PAPER OF NOV. 1969, AND AMMENDED AUG. 1970

1000 CANADIAN $	17	TOTALS
PRESENT VALUE OF NET CASH FLOW		
PV TAKEN AT 12.00 %	936.	49064.
CUMULATIVE PV	48064.	
PV TAKEN AT 14.00 %	696.	43405.
CUMULATIVE PV	43405.	
PV TAKEN AT 16.00 %	505.	39449.
CUMULATIVE PV	39449.	

THE INVESTMENT WILL BE REPAID (ASSUMING NO DISCOUNT) IN APR 10 OR 10.330 YEARS FROM THE EQUITY INVESTMENT.

THE INVESTMENT WAS $ 73283000.

C H A P M A N , W O O D A N D G R I S W O L D L T D .
C A S H F L O W P R O J E C T I O N S

KERR ADDISON MINES LIMITED
ADANAC PROJECT
CASE 5 C-1
(20,000 TPD $1.32/LB MO)

F A S T W R I T E - O F F C L A I M E D ,
INSTEAD OF THE OLD PERIOD OF EXEMPTION FROM INCOME TAX.

THIS CASH FLOW ASSUMES THE IMPLEMENTATION OF THE PROPOSALS
FOR TAX REFORM SET FORTH IN THE WHITE PAPER OF NOV. 1969, AND AMMENDED AUG. 1970

TERMS OF REFERENCE AND CONTROLS

RESERVES = 104234000. TONS MINING RATE = 7000000. TONS/YEAR FOR ALL YEARS OF PRODUCTION
MINELIFE = 14.891 YEARS NUMBER OF YEARS IN OPERATION = 15 YEARS

FOR YEARS	1	2	3	4	5	6	7	8	9	10
THE PRORATING FACTORS ARE	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
FOR YEARS	11	12	13	14	15					
THE PRORATING FACTORS ARE	1.000	1.000	1.000	1.000	.891					

THE METAL SALES AND OPERATING COSTS VARY FROM YEAR TO YEAR AS FOLLOWS. BOTH METAL SALES AND OPERATING COSTS ARE IN $/YEAR.

FOR YEARS	1	2	3	4	5	6	7	8
THE METAL SALES ARE	30101001.	27487000.	27338000.	27190000.	26298000.	21756000.	21756000.	21756000.
THE OPERATING COSTS ARE	17556000.	17556000.	17556000.	17556000.	17556000.	15568000.	15568000.	15568000.

FOR YEARS	9	10	11	12	13	14	15
THE METAL SALES ARE	21756000.	21756000.	21756000.	21756000.	21756000.	21461000.	15617059.
THE OPERATING COSTS ARE	15568000.	15568000.	15568000.	15239000.	15239000.	14182000.	10902374.

THE PERIOD BETWEEN INVESTMENT DATE AND PRODUCTION COMMENCEMENT IS 1.000 YEARS

THE PERIOD BETWEEN LOAN DATE AND PRODUCTION COMMENCEMENT IS 2.500 YEARS.
THE LOAN IS FOR $ 5000000. INTEREST IS TO BE PAID ON THIS LOAN AT 7.500 % AND THE LOAN IS TO BE REPAID AT 90.000 % OF THE GROSS CASH FLOW.
THE PERIOD BETWEEN LOAN DATE AND PRODUCTION COMMENCEMENT IS 2.000 YEARS.
THE LOAN IS FOR $ 37000000. INTEREST IS TO BE PAID ON THIS LOAN AT 7.500 % AND THE LOAN IS TO BE REPAID AT 90.000 % OF THE GROSS CASH FLOW.
THE PERIOD BETWEEN LOAN DATE AND PRODUCTION COMMENCEMENT IS 1.000 YEARS.
THE LOAN IS FOR $ 38039000. INTEREST IS TO BE PAID ON THIS LOAN AT 7.500 % AND THE LOAN IS TO BE REPAID AT 90.000 % OF THE GROSS CASH FLOW.

RATE OF DEPRECIATION %	.0	4.0	10.0	30.0
DEPRECIABLE ASSETS $	480000.	520000.	5551000.	64443000.
PROCESSING ASSETS $	0.	0.	0.	51496000.

IN YEAR 5 NEW CAPITAL ASSETS ARE $ 3000000. THE RATE OF DEPPECIATION IS 30.0%.
THE AMOUNT USED FOR PROCESSING IS $ 3000000.
IN YEAR 11 NEW CAPITAL ASSETS ARE $ 3000000. THE RATE OF DEPRECIATION IS 30.0%.

THE AMOUNT USED FOR PROCESSING IS $ 3000000.

PREPRODUCTION EXPENSES, WHICH ARE RETURNED THROUGH TAX ALLOWANCES, AMOUNT TO $ 3465000.

THE PRESENT VALUE HAS BEEN CALCULATED FOR THE FOLLOWING PERCENTAGES 12.0 14.0 16.0

C H A P M A N , W O O D A N D G R I S W O L D LTD .

KERR ADDISON MINES LIMITED
ADANAC PROJECT
CASE 5 C-1
(20,000 TPD $1.82/LB MO)

F A S T W R I T E - O F F C L A I M E D ,
INSTEAD OF THE OLD PERIOD OF EXEMPTION FROM INCOME TAX.

THIS CASH FLOW ASSUMES THE IMPLEMENTATION OF THE PROPOSALS
FOR TAX REFORM SET FORTH IN THE WHITE PAPER OF NOV. 1969, AND AMMENDED AUG. 1970

1000 CANADIAN $	1	2	3	4	5	6	7	8
METAL SALES	30101.	27487.	27338.	27190.	26298.	21756.	21756.	21756.
OPERATING COST	17556.	17556.	17556.	17556.	17556.	15568.	15568.	15568.
OPERATING PROFIT	12545.	9931.	9782.	9634.	8742.	6189.	6188.	6188.
LOAN INTEREST PAID	12545.	9931.	6149.	5758.	5496.	5479.	5432.	5381.
PROVINCIAL MINING TAX ALLOWANCES USING PRESENT LAWS:								
PREPRODUCTION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
ALL.ON DEPR.ASSETS	0.	0.	7623.	3866.	3236.	699.	746.	797.
PROCESSING ALL.	0.	0.	0.	0.	0.	0.	0.	0.
PROV.TAXABLE INCOME	0.	0.	10.	10.	10.	10.	10.	10.
B.C. MINING TAX	0.	0.	0.	0.	0.	0.	0.	0.
FEDERAL INCOME TAX ALLOWANCES:								
ALL.ON DEPR.ASSETS	0.	0.	575.	519.	1368.	709.	756.	776.
FAST WRITE-OFF	0.	0.	3058.	3358.	1878.	0.	0.	32.
PREPRODUCTION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
DEPLETION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
FED. TAXABLE INCOME	0.	0.	0.	0.	0.	0.	0.	0.
INCOME TAX @ 35.00%	0.	0.	0.	0.	0.	0.	0.	0.
TOTAL TAXES PAID	0.	0.	0.	0.	0.	0.	0.	0.
GROSS CASH FLOW	0.	0.	3633.	3876.	3246.	709.	756.	807.
NEW CAPITAL ASSETS	0.	0.	0.	0.	3000.	0.	0.	0.
LOAN REPAYMENT	0.	0.	3270.	3489.	221.	638.	681.	727.
WORKING CAP. REDMPT.	0.	0.	0.	0.	0.	0.	0.	0.
UNPAID LOAN BALANCE	80039.	80039.	76769.	73280.	73059.	72421.	71740.	71014.
NET CASH FLOW	0.	0.	363.	388.	25.	71.	76.	81.
CUM. CASH FLOW	0.	0.	363.	751.	776.	846.	922.	1003.

C H A P M A N , W O O D A N D G R I S W O L D LTD .

KERR ADDISON MINES LIMITED
ADANAC PROJECT
CASE 5 C-1
(20,000 TPD $1.82/LB MO)

F A S T W R I T E - O F F C L A I M E D ,
INSTEAD OF THE OLD PERIOD OF EXEMPTION FROM INCOME TAX.

THIS CASH FLOW ASSUMES THE IMPLEMENTATION OF THE PROPOSALS
FOR TAX REFORM SET FORTH IN THE WHITE PAPER OF NOV. 1969, AND AMMENDED AUG. 1970

1000 CANADIAN $	9	10	11	12	13	14	15	TOTALS
METAL SALES	21756.	21756.	21756.	21756.	21756.	21461.	15617.	349540.
OPERATING COST	15568.	15568.	15568.	15239.	15239.	14182.	10902.	236750.
OPERATING PROFIT	6188.	6188.	6188.	6517.	6517.	7279.	4715.	112790.
LOAN INTEREST PAID	5326.	5268.	5206.	5206.	5117.	5023.	4715.	92030.
PROVINCIAL MINING TAX ALLOWANCES USING PRESENT LAWS:								
PREPRODUCTION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
ALL.ON DEPR.ASSETS	862.	910.	972.	1301.	1390.	2246.	0.	20640.
PROCESSING ALL.	0.	0.	0.	0.	0.	0.	0.	0.
PROV.TAXABLE INCOME	10.	10.	10.	10.	10.	10.	0.	120.
B.C. MINING TAX	0.	0.	0.	0.	0.	0.	0.	0.
FEDERAL INCOME TAX ALLOWANCES:								
ALL.ON DEPR.ASSETS	513.	492.	982.	1058.	787.	593.	0.	9229.
FAST WRITE-OFF	249.	428.	0.	253.	612.	1663.	0.	11531.
PREPRODUCTION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
DEPLETION ALL.	0.	0.	0.	0.	0.	0.	0.	0.
FED. TAXABLE INCOME	0.	0.	0.	0.	0.	0.	0.	0.
INCOME TAX @ 35.00%	0.	0.	0.	0.	0.	0.	0.	0.
TOTAL TAXES PAID	0.	0.	0.	0.	0.	0.	0.	0.
GROSS CASH FLOW	862.	920.	982.	1311.	1400.	2256.	0.	20760.
NEW CAPITAL ASSETS	0.	0.	3000.	0.	0.	0.	0.	6000.
LOAN REPAYMENT	776.	828.	0.	1180.	1260.	2031.	0.	15100.
WORKING CAP. REDMPT.	0.	0.	0.	0.	0.	0.	5600.	5600.
UNPAID LOAN BALANCE	70238.	69410.	69410.	68229.	66970.	64939.	64939.	
NET CASH FLOW	86.	92.	-2018.	131.	140.	226.	5600.	5260.
CUM. CASH FLOW	1089.	1181.	-837.	-706.	-566.	-340.	5260.	

THE NET CASH FLOW IS NEGATIVE IN YEAR 11. NO NEW LOAN HAS BEEN FLOATED.