

823850

DCF ANALYSIS: HARPER CREEK

AUG 21/89

MINERAL INVENTORY		TONNAGE 53.000 MILLION TONS												
	COPPER	LEAD	ZINC	GOLD	SILVER									
GRADE	0.43			0.002	0.10									
	%	%	%	Oz/T	Oz/T									
RECOVERY %	85.0		80.0	85.0	80.0									
COMMODITY UNIT	lb.	lb.	lb.	Oz.	Oz.									
PRICE \$US	\$1.000	\$0.235	\$0.440	\$375	\$5.500									
EXCHANGE RATE	1.235	1.235	1.235	1.235	1.235									
PRICE \$CAN	\$1.235	\$0.290	\$0.543	\$463	\$6.790	NSR								
TREATMENT CHARGES \$CAN	\$0.423	\$0.300	\$0.336	\$19.41	\$1.257	TOTAL								
CONTRIBUTION TO NSR/TON	\$5.9	\$0.0	\$0.0	\$0.8	\$0.4	\$7.1								
% TOTAL NSR	83%	0%	0%	11%	6%	100%								
PRODUCTION	DCF RESULTS													
15500 MINING RATE TONS/DAY	10.0 % COST OF CAPITAL													
\$3.5 OPERATING COST \$/TON	NPV IRR													
9.4 YEARS PRODUCTION	\$30.7 18.8%													
	(\$4.4) 7.2% MINNOVA													
	PREPRODUCTION						PRODUCTION							
% OF YEAR IN PRODUCTION	0%	0%	100%	100%	100%	100%	100%	100%	100%	100%	100%	37%	0%	
YEARS IN PRODUCTION	0.0	0.0	1.0	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	9.4	9.4	
YEAR	1	2	3	4	5	6	7	8	9	10	11	12	13	
CASH FLOW: BEFORE TAX AND FOR 100 % OF PROJECT														
CAPITAL	\$40.0	\$40.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
TONS PRODUCED	0.0	0.0	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7	2.1	0.0	
GROSS INCOME	\$0.0	\$0.0	\$40.3	\$40.3	\$40.3	\$40.3	\$40.3	\$40.3	\$40.3	\$40.3	\$40.3	\$14.8	\$0.0	
OPERATING COST	\$0.0	\$0.0	\$19.8	\$19.8	\$19.8	\$19.8	\$19.8	\$19.8	\$19.8	\$19.8	\$19.8	\$7.3	\$0.0	
PROJECT NET INCOME	\$0.0	\$0.0	\$20.5	\$20.5	\$20.5	\$20.5	\$20.5	\$20.5	\$20.5	\$20.5	\$20.5	\$7.6	\$0.0	
PROJECT CASH FLOW	(\$40.0)	(\$40.0)	\$20.5	\$20.5	\$20.5	\$20.5	\$20.5	\$20.5	\$20.5	\$20.5	\$20.5	\$7.6	\$0.0	
minnova CASH FLOW	(\$27.0)	(\$12.0)	\$6.2	\$6.2	\$6.2	\$6.2	\$6.2	\$6.2	\$6.2	\$6.2	\$6.2	\$2.3	\$0.0	