

WESTERN MINE

92 F/12 E

LOCATION

Located on Myra Creek, 1 mile west of the south end of Buttle Lake. 207 claims and 2 leases, Lynx, Price + Myra group. Alberni Mining District, 110 Mi W of Vancouver on Vancouver Island. **50** miles south of Campbell River, B.C.

OWNERSHIP

Westmin Resources Ltd which is 83.7% owned by Great Lakes Power Corp which is wholly owned by Brascan Limited.

GEOLOGY

The Lynx, Myra Falls and Price deposits occur in predominantly volcanic rocks of the ~~Mid~~ (Ordovician) Sicker Group. The Sicker Group rocks in the mine area comprise a heterogeneous sequence of volcanic rocks (andesite, dacite, rhyolite), both massive and clastic, with subordinate chemical sediment. The stratigraphic interval of greatest interest is a zone approximately 400 to 500 metres thick which contains all known occurrences of rhyolite and ore sulphides in the mine area (This zone is referred to as the vent zone). The massive sulphide deposits at Western Mine have been described as Kuroko-Type Deposits.

RESERVES

Pre-production reserves:

18,800,000 Tons 1.81% Cu, 0.21% Pb, 3.45% Zn

Production during period 1967-78

3,650,000 Tons 1.6% Cu, 1.0% Pb, 7.5% Zn, 3.0oz/t Ag, 0.06oz/t Au.

PRODUCTION

The 750 ton per day mill started in Dec. 1966 and was increased to 1000 tons/day in 1968.

VALUATION: Westmin Mine

Assumptions 13,700,000 Tons 2.11% Cu, 0.44% Pb, 5.31% Zn, 1.14oz/Ag, 0.07oz/Au

Recovery 80% Cu 60% Ag
80% Pb 50% Au
80% Zn

Production 1982 365,000 Tons
1983 365,000 Tons
1984 etc 1,000,000 Tons/Yr.

Productive Life 15 Years

Capital Costs: \$30,000,000? for development of H-W orebody.

Cu = \$0.80/lb CAN.

Pb = \$0.40/lb CAN.

Zn = \$0.45/lb CAN

Ag = \$12.00/oz CAN

Au = \$450.00/oz CAN

Operating Costs \$40/Ton

Annual Revenue	1982	33,200,000
	1983	33,200,000
	1984 etc.	91,900,000
Operating Cost	1982	14,600,000
	1983	14,600,000
	1984 etc.	40,000,000

Taxes 55%

NPV (15%)

\$101,300,000

Revenue contributions Cu: \$27,000,000/Yr.
Zn: 38,200,000/Yr
Pb: 2,800,000/Yr
Ag: 8,200,000/Yr
Au: 15,700,000

ESTIMATED CASH FLOW - WESTMIN Cu-Zn-Pb-Ag-Au (\$000,000)

	1982 1	1983 2	1984 3	4	5	6	7	8	14	15
REVENUE	33.2	33.2	91.9	—————→				91.9	91.9	91.9
OPERATING COSTS	14.6	14.6	40.0					40.0	40.0	40.0
NET INCOME BEFORE ALLOWANCES	18.6	18.6	51.9					51.9	51.9	51.9
DEPRECIATION ALLOWANCE	18.6	11.4	-					-	-	-
TAXABLE INCOME	0	7.2	51.9					51.9	51.9	51.9
TAX (55%)	0	3.9	28.5					28.5	28.5	28.5
TAX CREDIT	-	-	-					-	-	-
TAX PAYABLE	0	3.9	28.5					28.5	28.5	28.5
NET INCOME AFTER TAXES	18.6	14.7	23.4	—————→				23.4	23.4	23.4
CAPITAL COSTS	18.6	11.4	-					-	-	-
AFTER TAX CASH FLOW	0	3.3	23.4	—————→				23.4	23.4	23.4



Net Present Value (1982)

$$NPV = 23.4 (CPVF_{13}^{15}) (PVF_2^{15}) + PVF_2^{15} (3.3)$$

$$= 23.4 (5.583) (0.7561) + (0.7561) (3.3)$$

$$= 98.8 + 2.5$$

$$= 101.3$$