

WEST PINNAC

EMPRESS AREA — 76 Zone 340' x 160' thick
 L. North Zone
 U. North Zone

Peatfield — Lower N Zone 7.45m tons 0.73 Cu, 0.024 Au
 Astew — all Empress zones 11.1m tons 0.61 Cu 0.023 Au

Cu recovery 97.1%
 Au recovery 69.3%

Millery Costs

Comparison to Fish Lake

ROR ~~36.2%~~ 29.7% ✓ 12.9% (Pre tax)
 NPV \$303m ✓ (\$38.5m) (15%)

- Assumptions — above grades & recoveries
- same tonnes & costs as Fish (i.e. 302m tonnes)
- same ~~con~~ grade & characteristics

At 150m tonnes ROR became 13.2% NPV(15) = \$33.3m
 reduction to 30,000 tpd might realize ~25% saving in cap costs
 this gives ROR of 18.2% NPV(15) \$47.5m

Using rule of thumb $\frac{Cap\ Cost^A}{Cap\ Cost^B} = \left(\frac{TPD^A}{TPD^B} \right)^{0.6}$

61.5% (0.9)
 66% (0.6)
 $\therefore Cap\ Cost^B = \frac{Cap\ Cost^A}{\left(\frac{TPD^A}{TPD^B} \right)^{0.6}}$

Westport

(15 year mine life)

<u>Tonnes</u>	<u>TPD</u>	<u>CAP Cost</u>	<u>ROR</u>	<u>NPV (15)</u>
302,000	66,000	\$451M	29.7%	\$303M
150M	33,000	\$297M	20.2%	\$70M
75M	16,500	\$196M	12.0%	(\$26.7M)
75M	33,000	\$297M	12.9%	(\$16.9M)
(10yr mine life) 100M	33,000	\$297M	17.2%	\$22.8M

Other factors taken from Fish Lake model which might be improved

upon are:-

- \$10M pre production exploration
- \$10M pre production development
- \$10M enviro cost
- \$5M/yr post prod capital
- \$2M working capital
- mining & milling costs (-ve impact!)
- concentrate grade