



826578

92F

→ WESTERN MINES LIMITED

Net Smelter Return f.o.b. Mine

	<u>Copper</u>	<u>Zinc</u>	<u>Lead</u>	<u>Silver</u>	<u>Gold</u>	<u>Total</u>
Ore Grade	2.5%	11.1%	1.3%	3.1 oz.	0.07 oz.	
Assumed Recovery	90%	85%	80%	85%	85%	
Recovery in Ore- %	2.25	9.43	1.04	2.64	0.06	
- wt	45.0	18.87	20.8	2.64	0.06	

At current metal prices:

Unit Prices (US)	.32	.135	.13	1.29	35.00	
Gross Value	14.40	25.47	2.70	3.41	2.10	
Smelter Receipts	80%	35%	50%	90%	95%	
Net Smelter f.o.b. mine	11.52	8.91	1.35	3.07	2.00	/26.85

Other assumptions used in the attached projections include:

- operating cost of \$11.50/ton including mining, milling, and head office administration.
- revenues converted to Canadian funds, giving net smelter return of \$29.00 per ton.



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Revenue Projections

	<u>1965</u> (3 mos)	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>
			(000)		
Tons Milled (1000 tpd)	80	350	350	350	350
Net Smelter ☆	\$2,320	\$10,150	\$10,150	\$10,150	\$10,150
Operating Cost	<u>920</u>	<u>4,025</u>	<u>4,025</u>	<u>4,025</u>	<u>4,025</u>
Operating Profit	1,400	6,125	6,125	6,125	6,125
Less: Capital Ex.	-	75	75	75	75
Int. Charges	400	220	-	-	-
Debt Retire	<u>800</u>	<u>3,200</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flow	200	2,630	6,050	6,050	6,050
Cumulative Cash Flow	200	2,830	8,880	14,930	20,980

\* 18 months at 6% on \$4.0 million

☆ Metal Prices (US):

Copper	32¢
Zinc	13.5¢
Lead	13¢
Silver	\$ 1.29
Gold	35.00