

840496
Cinola Prop.

CAN. \$

CINOLA GOLD PROPERTY

| Case # | Case Parameters | | | | | | | Case Results | | | |
|-----------|--------------------|-----------------|---------------------------|--------------------------|-----------------------------|--|------------------------|---------------------|---------------------|-------------------------|----|
| | Reserve MM Tons | Grade Oz/ton | Mill Size (Daily Cap.) | MM \$ Capital Cost | \$/ton Operating Cost | Cinola NPI & Yr. of Commencement | \$/oz Gold Price | MM\$ NPV@ 15% | Pay Out in years | DCF % Rate of Return | |
| 1 | 5 | 0.20 | 1,389 | 58.9 | 15 | 30% | 150 | (20.5) | 9.5 | 1 | |
| 2 | 10 | 0.40 | 2,778 | 82.0 | 20 | 30-20% yr. 4 | 250 | 113.6 | 1.9 | 102 | |
| 3 | 10.8 | 0.60 | 3,000 | 85.3 | 25 | 30-20% yr. 2 | 350 | 359.0 | 1 | ? | |
| 4 | 10 | 0.40 | 2,778 | 82.0 | 20 | 30-20% yr. 4 | 200 | 74.0 | 2.5 | 61 | |
| 5 | 10 | 0.40 | 2,778 | 82.0 | 20 | 30-20% yr. 4 | 150 | 33.8 | 3.7 | 33 | |
| 6 | 10 | 0.30 | 2,778 | 82.0 | 20 | 20% yr. 4 | 250 | 84.2 | 1.9 | 88 | |
| 7 | 10 | 0.30 | 2,778 | 82.0 | 20 | 20% yr. 5 | 200 | 50.5 | 2.7 | 50 | |
| 8 | 10 | 0.30 | 2,778 | 82.0 | 20 | 20% yr. 6 | 150 | 13.4 | 4.1 | 23 | |
| 9 | 5 | 0.40 | 1,500 | 63.0 | 20 | 30% yr. 6 | 150 | 11.5 | 4.1 | 24 | |
| Base Case | 10 | 5 | 0.40 | 1,500 | 63.0 | 20 | 30% yr. 4 | 200 | 31.9 | 2.8 | 44 |
| | 11 | 5 | 0.40 | 1,500 | 63.0 | 20 | 30% yr. 4 | 250 | 54.6 | 2.1 | 76 |
| | 12 | 5 | 0.40 | 1,500 | 63.0 | 20 | 20% yr. 4 | 200 | 35.8 | 2.8 | 46 |
| | 13 | 5 | 0.40 | 1,500 | 63.0 | 20 | 10% yr. 4 | 200 | 39.7 | 2.8 | 48 |
| | 14 | 5 | 0.40 | 1,500 | 63.0 | 20 escal. @ 8% annually | 30% yr. 6 | 200 | 29.9 | 2.9 | 44 |
| | 15 | 5 | 0.40 | 1,500 | 63.0 | 20 escal. @ 8% annually | 20% yr. 6 | 200 | 31.6 | 2.9 | 44 |
| | 16 | 5 | 0.40 | 1,500 | 63.0 | 20 escal. @ 8% annually | 10% yr. 6 | 200 | 33.3 | 2.9 | 45 |
| | 17 | 5 | 0.40 | 1,500 | 63.0 | 41.26* escal. @ 8% annually | 30% yr. 8 | 200 | (3.5) | 5.0 | 12 |
| | 18 | 5 | 0.40 | 1,500 | 63.0 | 28.37** escal. @ 6% annually | 30% yr. 5 | 200 | 17.9 | 3.3 | 31 |
| Base Case | 19 | 5 | 0.40 | 1,500 | 53.5 | 20 | 30% yr. 4 | 170 | 27.1 | 2.8 | 44 |

in US \$
@ 0.85C

*Equivalent to 26.00 in year -6
**Equivalent to 20.00 in year -6

MEMORANDUM

GMC 1001

DATE February 13, 1979

TO G. D. J. Boldy

LOCATION 12th Floor

- FOR YOUR INFORMATION
- NOTE AND RETURN
- PLEASE HANDLE
- AS REQUESTED
- FOR YOUR APPROVAL AND RETURN

- FOR DISCUSSION
- PER OUR CONVERSATION
- CHECK AND ADVISE
- FOR YOUR COMMENT
- PREPARE REPLY FOR MY SIGNATURE

COMMENTS:

Attached is a summary of the Cases run on the B.C. Project. You will note that Case 18 is positive using \$20.00 per ton operating cost starting in 1979, escalated at 6% annually.

As an after thought, Case 19 is equivalent to the Base Case (No. 10) but in U.S. \$.

R. T. Oswald/db

FROM