

FINANCIAL ANALYSIS

SUMMARY

At a gold price of US\$360 and an exchange rate of 1 CDN = US\$0.833, the key financial data for the project are (in \$000's):

	<u>Year 1</u>	<u>After Year 1</u>
Tonnes Milled	90	100
Gold (oz)	33	37
Silver	93	104
Revenue	15,076	16,752
Operating Costs	7,972	7,368
Operating Profit	7,104	9,384

Cash Cost/oz U.S.

Operating - \$174 (209 Cdn)

SENSITIVITY ANALYSIS

Gold Price Sensitivity

<u>Gold Price (US)</u> (Exchange .833)	<u>After Tax</u>		
	<u>Rate of Return</u>	<u>NPV @ 10%</u>	<u>NPV @ 0%</u>
350	13.23	.8 M	4.4 M
360	15.33	1.4 M	5.1 M
400	23.07	3.4 M	7.7 M
425	28.00	4.6 M	9.3 M
450	32.90	5.8 M	10.9 M

(A more detailed sensitivity analysis is available at the Company's office)

NOTE - these financial figures have not been up dated with the added reserves or increased production rate.