

881022

TABLE 1
 BLACKDOME MINE
 PRODUCTION STATISTICS PROJECTED TO DECEMBER 1990

		pre -1986	* 1986	1987	1988	1989	1990	Total to 31/12/90	Per Tonne Milled
Mill Throughput	- tonnes	0	34725	74021	79418	73799	72913	334,876	
Grade	- Au-grams/tonne	0	29.5	21.3	21.6	23.7	18.9	22.0	
	- Ag-grams/tonne	0	108.7	74.7	99.4	60.3	128.0	88.5	
Recovery	- % Au		90.56%	92.33%	93.63%	95.12%	95.01%	94.36%	
	- % Ag		65.00%	71.14%	71.74%	80.75%	85.55%	79.75%	
Bullion Production	- Au-troy oz.	0	17,288	27,567	36,991	35,366	18,387	135,599	
	- Ag-troy oz.	0	8,280	17,854	25,320	20,488	12,282	84,224	
Concentrate Production	- tonnes	0	218	415	468	945	1347	3,392	1%
	- Au-troy oz.	0	12,519	19,130	14,639	18,018	23,687	64,306	
	- Ag-troy oz.	0	70,580	108,667	156,786	95,107	244,468	675,608	
Total Production	- Au-troy oz.	0	29,807	46,698	51,630	53,384	42,074	223,593	
	- Ag-troy oz.	0	78,860	126,520	182,106	115,595	256,751	759,832	

334,876 tonnes - 223,593 oz Au. \$ 111,796,500
 759,832 oz Ag

Ave Grade 22 g/t Au 0.64 opt
 88.5 g/t Ag 2.6 g/t

Original Request 220,000 tonnes - 22.62 g/t Au
 107.3 g/t Ag

50% increase over life of mine

After
 Operating Costs
 Revenue = \$116.4M
 Tax Net Cash Flow = \$11.5M
 Concession
 Total = \$127.9M
 (i.e. ~\$200M)

DS → Blackden
 (From: Nick Carter,
 June, 2004)

TABLE 2

BLACKDOME MINE
MINE OPERATING STATISTICS TO DECEMBER 1990

			pre -1986	1986	1987	1988	1989	1990	Total to 31/12/90	Per Tonne Milled
Production	- Stopes	- tonnes	0	25,140	41,695	50,228	63,179	51,956	232,197	69%
	- Surface	- tonnes	0	3,481	19,737	385	3,759	0	27,361	8%
	subtotal	- tonnes	0	28,621	61,432	50,613	66,937	51,956	259,559	78%
		- Au-grams/tonne		21.6	17.5	21.3	19.5	19.9	19.7	
Development	- Ore	- tonnes	6,642	9,921	15,514	13,584	8,518	10,084	64,263	19%
		- Au-grams/tonne	18.9	20.3	15.8	18.0	16.5	18.0	17.5	
	-Waste	- tonnes	4,901	39,941	44,875	98,670	79,299	50,838	318,523	0.95
Combined Ore Break	- tonnes	6,642	38,542	76,946	64,197	75,456	62,040	323,821	97%	
	- Au-grams/tonne	18.9	21.3	17.1	20.6	19.2	19.6	19.3		
Development Advance	- metres	2,683	1,558	3,517	5,320	4,288	3,472	20,838	0.06	
Diamond Drilling	- metres	18,293	8,079	11,280	28,550	12,096	10,783	89,082	0.27	
Ore Reserves as of December 31										
	Proven	- tonnes	62,194	59,985	45,919	45,919	28,338	3,157		
	Probable	- tonnes	57,365	134,864	99,293	84,140	34,343	9,741		
	Possible	- tonnes	103,320	56,123	77,608	76,684	66,745	0		
	Total	- tonnes	222,879	250,972	222,820	206,743	129,426	12,898		
	Mineral Inventory							92,309		

Note - Tonnes and grade mined are not reconciled to the milled tonnes and grade
- Milled grade higher than mine grade probably due to use of cutting factors on chip samples

TABLE 3

BLACKDOME MINE
PROJECT OPERATING COST SUMMARY TO DECEMBER 1990

		pre -1986	* 1986	1987	1988	1989	1990	Total to 31/12/90	Per Tonne Milled
Operating Costs									
	Development		\$522,616	\$1,412,818	\$2,398,103	\$2,204,339	\$1,594,001	\$8,131,877	\$24.28
	Mining		\$856,752	\$1,955,407	\$3,031,468	\$3,141,425	\$2,574,588	\$11,559,640	\$34.52
	Mine Services		\$696,154	\$1,722,603	\$1,270,851	\$2,074,726	\$1,868,724	\$7,633,058	\$22.79
	Engineering		\$0	\$0	\$554,479	\$611,948	\$601,488	\$1,767,915	\$5.28
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	Mining		\$2,075,522	\$5,090,828	\$7,254,901	\$8,032,438	\$6,638,801	\$29,092,490	\$86.88
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	Milling		\$1,262,963	\$1,883,183	\$1,920,095	\$1,913,597	\$1,726,651	\$8,706,489	\$26.00
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	Mechanical		\$757,386	\$791,071	\$842,116	\$1,070,619	\$819,659	\$4,280,851	\$12.78
	Surface		\$0	\$803,463	\$1,040,699	\$1,227,495	\$771,210	\$3,842,867	\$11.48
	Power and Air		\$571,142	\$1,005,058	\$779,926	\$771,415	\$846,095	\$3,973,636	\$11.87
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	Plant		\$1,328,528	\$2,599,592	\$2,662,741	\$3,069,529	\$2,436,964	\$12,097,354	\$36.12
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	Administration		\$533,467	\$1,231,718	\$1,603,074	\$1,749,022	\$1,591,308	\$6,708,589	\$20.03
	Camp Operations		\$351,244	\$812,870	\$875,375	\$1,011,169	\$805,827	\$3,856,485	\$11.52
	Personnel		\$0	\$0	\$256,854	\$850,988	\$542,651	\$1,650,493	\$4.93
	Interest Income			(\$306,137)	(\$770,463)	(\$827,977)		(\$1,904,577)	(\$5.69)
	Inventory Adj.				(\$498,690)	\$826,665	\$1,320,465	\$1,648,440	\$4.92
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	Administration		\$884,711	\$1,738,451	\$1,466,150	\$3,609,867	\$4,260,251	\$11,959,430	\$36.48
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	Exploration		\$581,909	\$1,388,168	\$5,449,809	\$2,326,914	\$1,298,060	\$11,044,860	\$32.98
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	Total		\$6,133,633	\$12,700,222	\$18,753,696	\$18,952,345	\$16,360,727	\$72,900,623	\$218.46

Note - Engineering and geology costs not split out prior to 1988

TABLE 4

BLACKDOME MINE
PROJECT CASHFLOW SUMMARY TO DECEMBER 1990

		pre -1986	* 1986	1987	1988	1989	1990 Forecast	Total to 31/12/90	Per Tonne Milled	
Revenue from Metal Sales	Gold		\$15,959,063	\$27,590,640	\$27,661,974	\$25,059,594	\$18,858,812	\$115,130,083	\$343.80	
	Silver		\$543,986	\$998,385	\$1,338,443	\$762,044	\$1,451,711	\$5,094,569	\$15.21	
Subtotal			\$16,503,049	\$28,589,025	\$29,000,417	\$25,821,638	\$20,310,523	\$120,224,652	\$359.01	
less Treatment Charges			\$279,856	\$517,841	\$915,167	\$922,253	\$1,254,681	\$3,889,798	\$11.62	
Net Revenue			\$16,223,193	\$28,071,184	\$28,085,250	\$24,899,385	\$19,055,842	\$116,334,854	\$347.40	
Costs	Capital		\$8,764,225					\$8,764,225	\$26.17	
	Exploration		\$10,803,730					\$10,803,730		
	Pre-production			\$856,885	\$2,917,852	\$979,271	\$1,216,926	\$6,230,911	\$18.61	
	Sustaining						\$259,977			
Subtotal			\$19,567,955	\$856,885	\$2,917,852	\$979,271	\$1,216,926	\$25,798,866	\$77.04	
Operating			\$0	\$6,133,633	\$12,700,222	\$18,753,696	\$18,952,345	\$16,360,727	\$72,900,623	\$217.69
Total Costs			\$19,567,955	\$6,990,518	\$15,618,074	\$19,732,967	\$20,169,271	\$16,620,704	\$98,699,489	\$294.73
Before Tax Net Cashflow		(\$19,567,955)	\$9,232,675	\$12,453,110	\$8,352,283	\$4,730,114	\$2,435,138	\$17,635,365	\$52.66	
Taxes Paid					\$3,084,735	\$2,715,728	\$306,000	\$6,106,463	\$18.24	
After Tax Net Cashflow		(\$19,567,955)	\$9,232,675	\$12,453,110	\$5,267,548	\$2,014,386	\$2,129,138	\$11,528,902	\$34.43	
Project IRR - before tax			33%							
- after tax			25%							
Operating Costs/Ounce			\$205.78	\$271.97	\$363.23	\$355.02	\$388.86	\$326.04	*	
Operating Costs/Tonne			\$176.63	\$171.58	\$236.14	\$256.81	\$224.39	\$217.69		
Average Gold Price - \$Can actual			\$535.41	\$590.83	\$535.77	\$469.42	\$448.23	\$514.91		

Note: Commercial production started in May 1986.
1990 based on July YTD experience and forecast for remainder of year.

(US\$ 230/oz?)