

SILVANA MINES INC.

New Denver, B.C.

ACCOUNTING REPORT

December 1979

SILVANA MINES INC.

New Denver, B.C.

TRIAL BALANCE AS AT December 31st, 1979

		<u>Debit</u>	<u>Credit</u>
		\$	\$
<u>Cash on Hand & In Bank</u>		12,494.90	
Cash	\$ nil		
C.I.B. of Commerce - General Acc't	4,870.98		
C.I.B. of Commerce - Payroll Acct's	1,623.92		
C.I.B. of Commerce - Term Deposits	<u>6,000.00</u>		
<u>Accounts Receivable</u>		5,070.21	
Sundry	\$ <u>5,070.21</u>		
<u>Stores & Prepaid Charges</u>		78,331.13	
Stores	\$42,662.61		
Insurance	13,597.66		
Taxes	142.00		
Mill Wearing Parts	6,907.22		
Mill Equipment Overhaul	<u>15,021.64</u>		
<u>Plant Bldg. & Equipment</u>		1,215,373.91	
<u>Acc'm Depreciation - Bldg. & Equipment</u>			134,854.00
<u>Mining Properties</u>		857,051.00	
<u>Acc'm Depletion - Mining Properties</u>			130,358.90
<u>Provision for Depreciation & Depletion</u>		127,632.04	
<u>4000 Level Rehabilitation & Development</u>		1,758,014.53	
<u>Operating Expenses</u>		2,332,304.85	
Exploration	\$685,919.05		
Extraction	801,073.11		
Milling	422,490.67		
Mine to Mill Ore Haul	33,378.31		
Office Expense	146,694.96		
General Expense	<u>242,748.75</u>		
<u>1978 Production Revenue Realized 1979</u>			18,689.17
<u>Concentrates on Hand & In Transit 1979</u>		2,288,154.00	
<u>Concentrate Marketing Charges 1979</u>		1,627,217.07	
<u>Concentrate Production 1979</u>			6,349,815.36
<u>Reserve for Conc. Marketing Charges 1979</u>			500,444.98
<u>Concentrate Preliminary Settlement</u>			293,978.57
<u>Sundry Revenue - 1979</u>			10,059.91
<u>Accounts Payable</u>			390,534.04
Sundry	\$181,380.91		
Payroll Payable	20,366.49		
Accrued Wages Payable	-		
Advances - Kam-Kotia Mines Ltd.	44,980.80		
Vouchers	<u>143,805.84</u>		
<u>Gain or(loss) on Exchange of Fixed Assets</u>		25,376.99	
<u>Head Office</u>			<u>2,498,285.68</u>
		<u>10,327,020.63</u>	<u>10,327,020.63</u>

SILVANA MINES INC.

New Denver, B.C.

BALANCE SHEET as at December 31st, 1979

ASSETS

Current Assets

Cash on Hand & In Bank		\$	12,494.90	
Accounts Receivable			5,070.21	
Stores & Prepaid Charges			78,331.13	
Concentrates on Hand & In Transit	\$2,288,154.00			
<u>Less: Reserve for Conc. Marketing</u>	<u>500,444.98</u>			
	1,787,709.02			
<u>Less: Concentrate Preliminary Settlement</u>	<u>293,978.57</u>			
			<u>1,493,730.45</u>	
				\$1,589,626.69

Fixed Assets

Buildings & Equipemtn	\$1,215,373.91			
Mining Properties	857,051.00			
4000 Level Rehabilitation & Development	<u>1,758,014.53</u>			
		\$3,830,439.44		
		<u>265,212.92</u>		
			<u>3,565,226.52</u>	
				<u>\$5,154,853.21</u>

LIABILITIES

Current Liabilities

Accounts Payable		\$	345,553.24	
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Long Term

Advance - Kam-Kotia Mines Limited			44,980.80	
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Head Office

			\$2,498,285.68	
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Add: Assets in Excess of Liabilities

			<u>2,266,033.49</u>	
			<u>\$5,154,853.21</u>	

SILVANA MINES INC.
New Denver, B.C.

STATEMENT OF ESTIMATED MINE OPERATING PROFIT

Tons of Ore Milled (Average Ag 6.57 ozs/T; Pb 2.92%; Zn 2.03%)	<u>This Month</u> 1,716.56		(Average Ag 13.96 ozs/T; Pb 4.89%; Zn 4.51%)	<u>Year To Date</u> 21,632.55	
	<u>Total</u> \$	<u>Per Ton Milled</u> \$		<u>Total</u> \$	<u>Per Ton Milled</u> \$
<u>Estimated Value of Production</u>					
Lead Concentrate	\$386,192.80			\$4,374,309.83	
Less: Marketing Charges	<u>54,103.88</u>	332,088.92	193.462	<u>858,830.84</u>	3,515,478.99
Zinc Concentrate	\$124,045.01			\$1,975,505.53	
Less: Marketing Charges	<u>35,524.74</u>	<u>88,520.27</u>	<u>51.568</u>	<u>768,386.23</u>	<u>1,207,119.30</u>
Total Net Value		420,609.19	245.030	4,722,598.29 ✓	218.312
Sundry Revenue		<u>557.50</u>	<u>.325</u>	<u>10,059.91</u>	<u>.465</u>
Total Revenue		<u>421,166.69</u>	<u>245.355</u>	<u>4,732,658.20</u>	<u>218.777</u>
<u>Operating Expenses</u>					
Exploration		53,558.36	31.201	685,919.05	31.708
Extraction		70,584.19	41.120	801,073.11	37.031
Milling		43,297.28	25.223	422,490.67	19.531
Mine to Mill Ore Haul		2,394.97	1.395	33,378.31	1.543
Office Expense		21,772.60	12.684	146,694.96	6.781
General Expense		<u>38,145.83</u>	<u>22.222</u>	<u>242,748.75</u>	<u>11.222</u>
Total Operating Expenses		<u>229,753.23</u>	<u>133.845</u>	<u>2,332,304.85</u>	<u>107.816</u>
<u>Estimated Mine Operating Profit</u>		191,413.46	111.510	2,400,353.35	110.961
Less: Accumulated Depreciation & Depletion		(10,127.70)	(5.900)	(127,632.04)	(5.900)
		<u>181,285.76</u>	<u>105.610</u>	18,689.17	.864
				<u>(25,376.99)</u>	<u>(1.173)</u>
				<u>2,266,033.49</u>	<u>104.752</u>

1978 Production Revenue Realized 1979
Gain or (Loss) on Exchange of Fixed Assets

1/6 87,217 ←
1/2 1,000,000

SILVANA MINES INC.
New Denver, B.C.

LEAD CONCENTRATION PRODUCTION

Lead Concentrate Production
December 1979

	THIS MONTH							YEAR TO DATE								
	SDT	SILVER	LEAD	ZINC	SILVER	LEAD	ZINC	TOTAL	SDT	SILVER	LEAD	ZINC	SILVER	LEAD	ZINC	TOTAL
	ozs	lbs	lbs	lbs	\$	\$	\$	\$	ozs	lbs	lbs	lbs	\$	\$	\$	\$
Finals - 41-58									1,306,5930	152,029.61	1,580,459	249,123	1,883,538.59	981,872.36	105,367.67	2,970,778.92
Est. Lots 59-61									226,7140	21,878.12	283,249	37,808	571,018.93	192,609.32	15,501.28	779,129.53
On Hand - Dec. 1st	-44,3013	-4,496.58	-55,111	-5,582	-200,097.81	-35,822.15	-2,288.62	-238,208.58	44,3013	4,496.58	55,111	5,582	200,097.81	35,822.15	2,288.62	238,208.58
Est. Lots 62 & 63	111,8815	10,989.89	137,952	13,380	489,050.11	89,668.80	5,485.80	584,204.71								
On Hand - Dec. 31st	<u>9,1100</u>	<u>847.23</u>	<u>10,203</u>	<u>1,275</u>	<u>33,041.97</u>	<u>6,631.95</u>	<u>522.75</u>	<u>40,196.67</u>								
Est. Gross Value-Mo.	<u>76,6902</u>	<u>7,340.54</u>	<u>93,044</u>	<u>9,073</u>	<u>321,994.27</u>	<u>60,478.60</u>	<u>3,719.93</u>	386,192.80	<u>76,6902</u>	<u>7,340.54</u>	<u>93,044</u>	<u>9,073</u>	<u>321,994.27</u>	<u>60,478.60</u>	<u>3,719.93</u>	<u>386,192.80</u>
Est. Gross Value Y.T.D.									<u>1,654,2985</u>	<u>185,744.85</u>	<u>2,011,863</u>	<u>301,586</u>	<u>2,976,649.60</u>	<u>1,270,782.73</u>	<u>126,877.50</u>	<u>4,374,309.83</u>
Gross Unit Value					<u>43.8652</u>	<u>.6500</u>	<u>.4100</u>						<u>16.9255</u>	<u>.6316</u>	<u>.4207</u>	
Truck Freight	\$ 1,366.81															
Metal Deduction					22,495.99	3,703.15	889.11						207,260.63	77,860.23	31,824.38	
Price Deduction					623.94	14,189.21	1,497.05						15,788.31	297,544.10	48,790.03	
Treatment	3,834.51								82,689.14							
Moisture Penalty	78.73								346.58							
Alumina Penalty									438.52							
Rep. & Assaying	40.00								395.00							
Wage Adj. Penalty									13,817.70							
Rail Car Rental	306.76								5,651.17							
B.M.C. Commission	5,078.62								53,884.49							
Est. Total Marketing	\$ <u>10,705.43</u>				<u>23,119.93</u>	<u>17,892.36</u>	<u>2,386.16</u>	<u>54,103.88</u>	<u>\$179,763.16</u>				<u>223,048.94</u>	<u>375,404.33</u>	<u>80,614.41</u>	<u>858,830.84</u>
Est. Net Value	\$ <u>-10,705.43</u>				<u>298,874.34</u>	<u>42,586.24</u>	<u>1,333.77</u>	<u>332,088.92</u>	<u>\$-179,763.16</u>				<u>2,753,600.66</u>	<u>895,378.40</u>	<u>46,263.09</u>	<u>3,515,478.99</u>
Net Unit Value					<u>40.7156</u>	<u>.4577</u>	<u>.1470</u>						<u>14.8246</u>	<u>.4450</u>	<u>.1534</u>	
Est. Net Value Per Ton	\$ <u>-139.59</u>	<u>95.72</u>	<u>60.66</u>	<u>5.92</u>	<u>3,597.16</u>	<u>555.30</u>	<u>17.39</u>	<u>330.26</u>	\$ <u>-108.66</u>	<u>112.28</u>	<u>60.81</u>	<u>9.12</u>	<u>1,868.51</u>	<u>541.24</u>	<u>27.97</u>	<u>2,125.06</u>

5651
\$ 22,540.56
5,819.2
82,689.14
346.58
438.52
395.00
13,817.70
5,651.17
53,884.49

Net Lead
Prod. Ded.

SILVANA MINES INC.

New Denver, B.C.

ZINC CONCENTRATE PRODUCTION

Zinc Concentrate Production

December 1979

	THIS MONTH							YEAR TO DATE								
	SDT	SILVER ozs	ZINC lbs	CADMIUM lbs	SILVER \$	ZINC \$	CADMIUM \$	TOTAL \$	SDT	SILVER ozs	ZINC lbs	CADMIUM lbs	SILVER \$	ZINC \$	CADMIUM \$	TOTAL \$
Finals									932.83	69,914.10	964,538	7,108.54	663,283.06	403,808.16	23,791.22	1,090,882.44
Est. Lots 61-71									459.1365	30,189.22	459,008	3,356.00	514,126.08	185,115.04	9,752.79	708,993.91
On Hand Dec.1st	-26.1000	-1,586.88	-26,309	-188.00	-40,449.57	-10,523.60	-611.00	-51,584.17	26.1000	1,586.88	26,309	188.00	40,449.57	10,523.60	611.00	51,584.17
Est. Lots #72	34.5660	2,101.61	34,843	248.80	53,570.04	13,937.20	808.60	68,315.84								
On Hand Dec.31st	<u>31.1535</u>	<u>2,096.63</u>	<u>33,210</u>	<u>224.40</u>	<u>93,300.04</u>	<u>13,284.00</u>	<u>729.30</u>	<u>107,313.34</u>								
Est. Gross Value-Mo.	<u>39.6195</u>	<u>2,611.36</u>	<u>41,744</u>	<u>285.20</u>	<u>106,420.51</u>	<u>16,697.60</u>	<u>926.90</u>	124,045.01	<u>39.6195</u>	<u>2,611.36</u>	<u>41,744</u>	<u>285.20</u>	<u>106,420.51</u>	<u>16,697.60</u>	<u>926.90</u>	<u>124,045.01</u>
Est. Gross Value Y.T.D.									<u>1,457,6860</u>	<u>104,301.56</u>	<u>1,491,599</u>	<u>10,937.74</u>	<u>1,324,279.22</u>	<u>616,144.40</u>	<u>35,081.91</u>	1,975,505.53
Gross Unit Value					<u>40.7529</u>	<u>.4000</u>	<u>3.2500</u>						<u>12.6966</u>	<u>.4131</u>	<u>3.2074</u>	
Truck Freight	\$ 1,227.81								\$ 41,703.60							
Metal Deduction					21,069.70	2,503.95	464.09						262,758.48	94,993.27	16,811.62	
Price Deduction					1,072.16	208.72	142.60						10,122.15	8,274.36	6,068.91	
Treatment	6,814.55								278,698.85							
Iron Penalty	89.14								3,816.97							
Gov't Duty									6,632.97							
(Pb Sundry Revenue)									(125.85)							
(Au Sundry Revenue)									(2,146.27)							
Rep. & Assaying	85.00								3,173.83							
Pollution Assessment						479.00										
B.M.C. Commission	<u>1,368.02</u>								<u>19,499.83</u>							<u>18,103.51</u>
Est. Total Marketing	\$ <u>9,584.52</u>				<u>22,141.86</u>	<u>3,191.67</u>	<u>606.69</u>	<u>35,524.74</u>	\$ <u>351,253.93</u>				<u>272,880.63</u>	<u>121,371.14</u>	<u>22,880.53</u>	<u>768,386.23</u>
Est. Net Value	\$ <u>-9,584.52</u>				<u>84,278.65</u>	<u>13,505.93</u>	<u>320.21</u>	<u>88,520.27</u>	\$ <u>- 351,253.93</u>				<u>1,051,398.59</u>	<u>494,773.26</u>	<u>12,201.38</u>	<u>1,207,119.30</u>
Net Unit Value					<u>32.2739</u>	<u>.3235</u>	<u>1.1228</u>						<u>10.0804</u>	<u>.3317</u>	<u>1.1155</u>	
Est. Net Value Per Ton	\$ <u>-241.91</u>	<u>5.91</u>	<u>52.68</u>	<u>.360</u>	<u>2,127.20</u>	<u>340.89</u>	<u>8.08</u>	<u>2,234.26</u>	\$ <u>- 240.97</u>	<u>71.55</u>	<u>51.16</u>	<u>.375</u>	<u>721.28</u>	<u>339.42</u>	<u>8.37</u>	<u>828.10</u>

30,154

other

1000

334

1.11

SILVANA MINES INC.
New Denver, B.C.

Tons Ore Milled: Month 1,716.56
Year to Date 21,632.55

Mine Exploration & Extraction
December 1979

MINE EXPLORATION & EXTRACTION

	<u>Labour</u> \$	<u>Supplies & Other</u> \$	<u>Explosives</u> \$	<u>Mine Services</u> \$	<u>Total</u> \$	THIS MONTH			YEAR TO DATE			
						<u>Unit Adv.</u> ft.	<u>Unit Cost</u> \$	<u>Cost/T Milled</u> \$	<u>Total</u> \$	<u>Unit Adv.</u> ft.	<u>Unit Cost</u> \$	<u>Cost/T Milled</u> \$
EXPLORATION												
Diamond Drilling	-	6,554.15	-	6,799.84	13,353.99	394.0	33.89	7.779	232,257.21	11,206.0	20.73	10.737
Drifts & X-Cuts	-	-	-	-	-	-	-	-	8,368.14	29.6	282.71	.387
Declines	4,032.93	667.47	1,804.99	10,812.44	17,317.83	34.0	509.35	10.089	300,545.90	1,345.1	223.44	13.893
	<u>4,032.93</u>	<u>7,221.62</u>	<u>1,804.99</u>	<u>17,612.28</u>	<u>30,671.82</u>			<u>17.868</u>	<u>541,171.25</u>			<u>25.017</u>
EXTRACTION												
Slope Development	11,845.76	1,845.55	1,983.83	22,630.27	38,305.41	221.0	173.33	22.315	216,660.65	1,409.1	153.76	10.015
Stoping	<u>12,852.95</u>	<u>2,129.18</u>	<u>770.11</u>	<u>16,526.54</u>	<u>32,278.78</u>			<u>18.805</u>	<u>584,412.46</u>			<u>27.016</u>
	<u>24,698.71</u>	<u>3,974.73</u>	<u>2,753.94</u>	<u>39,156.81</u>	<u>70,584.19</u>			<u>41.120</u>	<u>801,073.11</u>			<u>37.031</u>
EXPLORATION												
4000 Diamond Drilling	-	-	-	-	-				11,537.90	603.0	19.13	.533
4000 Drifts & X-Cuts	-	<u>10,264.77</u>	-	<u>12,621.77</u>	<u>22,886.54</u>	67.5	339.06	<u>13.333</u>	<u>133,209.90</u>	479.7	277.69	<u>6.158</u>
		<u>10,264.77</u>		<u>12,621.77</u>	<u>22,886.54</u>			<u>13.333</u>	<u>144,747.80</u>			<u>6.691</u>
Total This Month	28,731.64	21,461.12	4,558.93	69,390.86	124,142.55							
Cost/T Milled	<u>16.738</u>	<u>12.503</u>	<u>2.656</u>	<u>40.424</u>	<u>72.321</u>							
Total To Date	373,546.83	274,512.73	65,448.96	773,483.64					1,486,992.16			
Cost/T Milled	<u>17.268</u>	<u>12.690</u>	<u>3.025</u>	<u>35.756</u>					<u>68.739</u>			

SILVANA MINES INC.

New Denver, B.C.

MINE SERVICES EXPENSE

December 1979

	<u>Labour</u>	<u>Supplies & Other</u>	<u>THIS MONTH</u>		<u>YEAR TO DATE</u>	
			<u>Total</u>	<u>Cost/T Milled</u>	<u>Total</u>	<u>Cost/T Milled</u>
	\$	\$	\$	\$	\$	\$
Supervision	10,150.49	-	10,150.49	5.913	98,933.45	4.573
General Expense	4,914.31	2,255.22	7,169.53	4.177	78,158.84	3.613
Mine Maintenance	2,369.33	4,433.30	6,802.63	3.963	58,325.04	2.696
Waste Disposal	1,913.07	807.52	2,720.59	1.585	38,981.59	1.802
Compressed Air & Power	2,062.47	4,285.15	6,347.62	3.698	85,445.77	3.950
Ventilation	1,044.25	1,883.21	2,927.46	1.705	9,364.95	.433
Air & Water Lines	43.44	255.13	298.57	.174	19,599.52	.906
Drill Steel & Bits	934.40	2,163.05	3,097.45	1.805	28,184.68	1.303
Drill Mtnc. & Repair	299.36	21.95	321.31	.187	22,511.62	1.041
Equip. Mtnc. & Repair	3,887.80	2,930.99	6,818.79	3.972	192,492.35	8.898
Mine Safety	172.77	(41.57)	131.20	.076	6,484.44	.300
Engineering & Survey.	9,680.86	256.33	9,937.19	5.789	68,765.14	3.179
Sampling & Assaying	<u>43.04</u>	<u>3.22</u>	<u>46.26</u>	.027	<u>4,240.65</u>	<u>.196</u>
This Month	37,515.59	19,253.50	56,769.09			
Cost/T Milled	<u>21.855</u>	<u>11.216</u>	<u>33.071</u>			
Year To Date	386,832.76	324,655.28			711,488.04	
Cost/T Milled	<u>17.882</u>	<u>15.008</u>			<u>32.890</u>	
4000 Level			12,621.77		61,995.60	
Cost/T Milled			<u>7.353</u>		<u>2.866</u>	
This Month			69,390.86			
Cost/T Milled			<u>40.424</u>			
Year To Date					773,483.64	
Cost/T Milled					<u>35.756</u>	

SILVANA MINES INC.
New Denver, B.C.

Tons Milled: Month 1,716.56
Year To Date 21,632.55

Milling
December 1979

MILLING

					<u>THIS MONTH</u>		<u>YEAR TO DATE</u>	
	<u>Labour</u>	<u>Supplies</u>	<u>Reagents</u>	<u>Other</u>	<u>Total</u>	<u>Cost/T</u>	<u>Total</u>	<u>Cost/T</u>
	\$	\$	\$	\$	\$	\$	\$	\$
Crushing & Conveying	1,817.02	1,224.71	-	-	3,041.73	1.772	33,214.67	1.536
Grinding & Classification	4,061.44	2,401.14	-	-	6,462.58	3.765	76,822.37	3.551
Flotation	3,472.18	49.92	1,300.91	-	4,823.01	2.810	63,613.97	2.941
Filtation	3,472.18	754.86	-	-	4,227.04	2.462	33,655.21	1.556
Assaying	3,012.31	225.64	-	-	3,237.95	1.886	29,932.40	1.384
Power Supply & Lighting	-	12,854.48	-	-	12,854.48	7.488	86,555.80	4.001
Water Supply	-	-	-	-	-	-	1,738.14	.080
Tailings & Disposal	152.45	113.42	-	1,330.56	1,596.43	.930	35,892.69	1.659
Supervision	3,684.67	-	-	-	3,684.67	2.147	34,135.00	1.578
General Expense	2,742.35	627.04	-	-	3,369.39	1.963	26,930.42	1.245
This Month	22,414.60	18,251.21	1,300.91	1,330.56	43,297.28			
Cost/T Milled	<u>13.058</u>	<u>10.632</u>	<u>.758</u>	<u>.775</u>	<u>25.223</u>			
Year To Date	253,847.56	145,062.58	20,725.42	2,855.11			422,490.67	
Cost/T Milled	<u>11.735</u>	<u>6.706</u>	<u>.958</u>	<u>.132</u>			<u>19.531</u>	

SILVANA MINES INC.
New Denver, B.C.

MINE TO MILL ORE HAULAGE
December 1979

	<u>THIS</u> <u>MONTH</u> \$	<u>Cost/T</u> <u>Milled</u> \$	<u>TO</u> <u>DATE</u> \$	<u>Cost/T</u> <u>Milled</u> \$
Mine to Coarse Ore Bin	2,394.97	1.395	25,375.31	1.497
Mine to Mill Stockpile	-	-	729.00	.034
Mill Stockpile to Coarse Ore Bin	_____	_____	<u>274.00</u>	<u>.012</u>
	<u>2,394.97</u>	<u>1.395</u>	<u>33,378.31</u>	<u>1.543</u>

SILVANA MINES INC.

New Denver, B.C.

MINE OFFICE EXPENSE

December 1979

	<u>THIS</u> <u>MONTH</u> \$	<u>Cost/T</u> <u>Milled</u> \$	<u>TO</u> <u>DATE</u> \$	<u>Cost/T</u> <u>Milled</u> \$
Management	10,117.91	5.894	60,605.55	2.802
Head Office Administration	3,000.00	1.748	27,027.41	1.249
Travelling Expense-Officials	850.76	.495	2,155.27	.100
Conferences & Seminars	298.44	.174	2,974.23	.137
Office Salaries	6,104.89	3.556	43,244.47	1.999
Office Printing & Supplies	430.45	.251	3,070.16	.142
Postage	34.00	.020	411.10	.019
Telephone	581.57	.339	5,141.26	.238
Bank Charges	8.20	.005	676.34	.031
Heating, Light & Water	293.49	.171	742.36	.034
Miscellaneous	<u>52.89</u>	<u>.031</u>	<u>646.81</u>	<u>.030</u>
	<u>21,772.60</u>	<u>12.684</u>	<u>146,694.96</u>	<u>6.781</u>

SILVANA MINES INC.
New Denver, B. C.

GENERAL EXPENSE

December 1979

	<u>THIS</u> <u>MONTH</u> \$	<u>Cost/T</u> <u>Milled</u> \$	<u>TO</u> <u>DATE</u> \$	<u>Cost/T</u> <u>Milled</u> \$
Insurance	6,497.04	3.785	42,964.89	1.986
Real Property & Acreage Taxes	1,676.93	.977	14,884.03	.688
Statutory Holidays	7,992.15	4.656	31,141.79	1.440
Miscellaneous	1,688.24	.983	4,773.86	.221
Local Transportation	9,133.15	5.320	43,849.59	2.027
Road Maintenance	559.62	.326	4,672.92	.216
Snow Removal	1,532.30	.893	5,430.45	.251
Building Repairs & Maintenance	2,473.53	1.441	15,050.82	.696
Residence Expense	1,443.19	.841	15,082.75	.697
Royalties	<u>5,149.68</u>	<u>3.000</u>	<u>64,897.65</u>	<u>3.000</u>
	<u>38,145.83</u>	<u>22.222</u>	<u>242,748.75</u>	<u>11.222</u>

SILVANA MINES INC.
New Denver, B.C.

Details of Sundry Accounts Receivable as at December 31, 1979

Kam-Kotia Mines	\$ 2,353.72
Fisher Scientific Co. Limited	1,016.33
Silverton Curling Rink	896.79
Nelson Machinery Co. Ltd.	651.00
R. Leftrook	70.00
MacIntyre Mining Contractors	59.37
W. Wingert	23.00
	\$ 5,070.21

Details of Sundry Accounts Payable as at December 31, 1979

Receiver General for Canada - Inc. Tax, C.P.P. & U.I.C.	\$ 25,854.34
Minister of Finance, 4% Tax	214.99
Finning Tractor & Equipment - 950 Loader	112,053.62
Finning Tractor & Equipment - 3306 TA Electric set	21,261.76
Holiday Pay Reserve	21,996.20
	\$181,380.91

4000 Level Rehabilitation & Development as at December 31, 1979

	Month	Year To Date
	\$	\$
4000 Level - Buildings (Compressor Bldg. Dry, Shop, Tool & Loci Shed)	78.61	50,338.41
- Portal Site (Trestle, Snowsheds, Ore Bin)	87.94	49,736.47
- Air & Water Lines (11,500' x 6"; 10,680' x 2"; 1,000' x 4")	1,557.05	70,626.82
- Ventilation (1500' x 16"; 4000' x 18")	992.89	27,439.89
- Track Installed (101.5 tons x 30 lb. Rail plus switches etc.)		155,168.37
- Tunnel Rehabilitation	-	277,260.93
- Exploration Drift (2754.0')		464,790.14
- Diamond Drilling (9957.0')	-	172,289.48
- Exploration Raises (1033.6')	-	248,281.23
- Equipment	(1,706.59)	178,273.43
- Road	258.46	18,676.73
- Underground Electrics	-	17,976.37
- Hydro Development Project	25,370.94	27,156.26
	26,639.30	1,758,014.53

SILVANA MINES INC.
New Denver, B.C.

Details of Head Office Account as at December 31st, 1979

	Debit	Credit	Balance
	\$	\$	\$
Balance - November 30, 1979			Cr. \$2,529,538.69
<u>Add:</u> Dec. 7 Cash Transfer		135,000.00	
Dec. 19 Cash Transfer		170,000.00	
Dec. 31 Cash Transfer		35,000.00	
Head Office Administration		3,000.00	
Less: Amalgamet Settlement Dec. 5,	48,980.51		
Amalgamet Settlement Dec. 28	35,037.50		
Proforma due Amalgamet Metal			
Trading Ltd. Dec.28	290,235.00		
Balance: December 31, 1979			Cr. \$2,498,285.68

Details of Sundry Revenue Account as at December 31, 1979

	Month	Year To Date
	\$	\$
Residence #1 Rental	-	675.00
#2 Rental	-	1,100.00
#3 Rental	100.00	400.00
#4 Rental	100.00	1,100.00
#5 Rental	100.00	700.00
#6 Trailer Rental	80.00	900.00
#7 Trailer Rental	80.00	320.00
Ministry of Mines - Mis'c Sale of Galena	-	258.30
Term Deposit Interest	-	1,047.55
Custom Assaying	97.50	322.00
Gov't of Canada - Gas Tax Rebates	-	2,577.20
Gov't of Canada - Customs Excise Duty Rebate	-	651.86
Miscellaneous	-	8.00
	557.50	10,059.91

Details of Total Earnings Before Deductions as at December 31, 1979

(per Box C on T-4 Slips)

Balance to date		\$989,648.08
Dec. 1-15 Staff Payroll	13,027.00	
16-31 Staff Payroll	15,004.00	
17 - Christmas Bonus Payroll	11,100.00	
1-14 Regular Payroll	42,654.45	
15-31 Regular Payroll	28,056.82	
Balance to date		\$1,099,490.35

SILVANA MINES INC.
New Denver, B.C.

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

To December 31, 1979

Source of Funds

1979 Production Estimated Value	\$4,722,598.29
Sundry Revenue	10,059.91
1978 Production Revenue Realized 1979	18,689.17
Advance - Kam-Kotia Mines Limited	44,980.80
Head Office	<u>2,498,285.68</u>

\$7,294,613.85

Application of Funds

Fixed Assets	\$3,830,439.44
Less: Acc'm Depreciation & Depletion	<u>137,580.88</u>
	3,692,858.56
Operating Expenses	2,332,304.85
Loss on Sale of Fixed Assets	<u>25,376.99</u>

\$6,050,540.40

Working Capital as at December 31, 1979

Represented by:

Current Assets	\$1,589,626.69
Current Liabilities	<u>345,553.24</u>

\$1,244,073.45