

**SYNOPSIS OF THE ECONOMIC POTENTIAL OF THE SIWASH MINE BASED ON
PRELIMINARY ANALYSIS OF THE 1995 DRILL PROGRAM**

The 1995 drilling program has effectively completed testing of the Mother Shoot vein on 10 meter by 10 meter centres to the 1500 meter level.

Analysis of the results to date has identified a drill indicated diluted mineable reserve using underground techniques of 14,538 tons at a grade of 0.93 oz/ton in four stoping blocks accessible with minimal development from the existing underground workings. 13,320^{oz}
Three of the proposed mining blocks occur as flatter lying (<45°) zones at the eastern end of the underground workings between the 1520 and 1600 meter levels. The fourth block is located in the steeper dipping structure below the "hinge" centred on the 2200E Section. A program to develop and subsequently extract the reserve has been costed assuming contracted mining services. The program could be completed in 6 months for an expenditure of \$5.2 million and could generate gross revenues of \$6.15 million. A development program designed only to "prove" the reserve would take about 2 months at a cost of \$1.2 million. *

Preliminary analysis of the drilling results has indicated a resource in excess of 25,000 ozs may be recoverable by open pit mining below and to the east of the existing pit. where is this?
The potential open pitable resource includes two of the stoping blocks included in the underground reserve. A preliminary pit design has been developed to exploit the resource primarily located in the "flat" zones between 2250E and 2380E section to the 1570 elevation. Assuming a mining recovery of 85%, an average grade of 1.5 oz/ton, an open pit would generate revenues of \$9.72 million at a cost of \$8.25 million. Estimate Preliminary

\$ 1.47 MH 1.47
An underground resource estimated at 6,770 ounces would remain to be extracted once the pit was complete, however, at projected costs these reserves would not be economic on a stand-alone basis with gross revenues of \$3.09 million against costs of \$3.17 million.

written as tho no more ore will ever be found.

The high grade zone indicated by deep surface drilling at the west end of the Mother Shoot Zone continues to intrigue and additional surface drilling is recommended to test grade continuity before making any decision on future work. To access the deep zone with underground workings from the present face of the ramp will require an expenditure of \$2.0 million not inclusive of drilling costs.

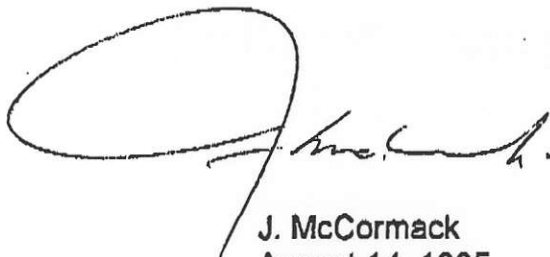
At 100-120 tons per day production costs, excluding main ramp and level development, would not be less than \$285 per ton based on a 1.20 meter average mining width and 15% dilution assuming contract mining and custom milling. The economic cut-off grade is 0.60 oz/ton over 1.2 meters or 0.72 oz-meters/ton

Conclusions

Insufficient reserves have been generated to justify major expenditure on mining plant or processing equipment. The project must be continued to be considered primarily as an exploration bet using contract mining services or involving a joint venture partner with suitable equipment to salvage the economic zones outlined to date. The potential open pit option should be fully investigated prior to further decisions.

The Mother Shoot remains open to depth but additional surface drilling to assess grade continuity should be carried out before embarking on further development.

Jim McCormack
Recommends
"Salvage"
OF OPEN PIT
ORE



J. McCormack
August 14, 1995

**Proposed Underground Production Program
Drill Indicated Mineable Reserves**

Reserve Block	1570-2365	1520-2330	1570-2305	1550-2200	Total
Undiluted Block Reserve					
Total Vein Area Kriedged sq.m.	1985	1430	537	672	4624
Undiluted Avg Thickness m.	0.51	0.81	0.61	0.63	
Tons	2561	2957	836	1069	7424
Grade - Oz/Ton	2.30	1.20	1.00	3.01	1.82
Oz - Gold	5883	3555	834	3218	13490
Diluted Block Reserve					
Diluted Tons					
Development	858	585	475	492	2411
Flat Dip Raises	2043	1415	451	0	3909
Flat Dip Resue	2461	2732	656	0	5849
C&F Stoping	0	0	0	2370	2370
Subtotal	5361	4732	1583	2862	14538
Ounces - Gold					
Development	417	379	201	553	1550
Flat Dip Raises	1421	826	165	0	2412
Flat Dip Resue	4045	2350	468	0	6864
C&F Stoping	0	0	0	2665	2665
Subtotal	5883	3555	834	3218	13490
Grade - Au- oz/ton					
Development	0.49	0.65	0.42	1.12	0.64
Flat Dip Raises	0.70	0.58	0.36		0.62
Flat Dip Resue	1.64	0.86	0.71		1.17
C&F Stoping				1.12	1.12
Subtotal	1.10	0.75	0.53	1.12	0.93

**Proposed Underground Mining Program
Project Cashflow Summary
Developing and Stopping Currently Outlined Reserves**

	Period	1	2	3	4	5	6	7	Total
	Op Days	28	28	28	28	28	28	14	182
Project Costs									
Access Development - Waste - 3.6 x 3.6									
Access Development - 3.06x2.8		\$56,448	\$67,880	\$22,865					\$147,193
Timber Drift - 2.4 x 2.4		\$14,231	\$37,951	\$18,975					\$71,157
Timber Drift - Resued		\$38,555	\$40,758						\$79,313
Open Raise - 1.2 x1.2									
Two Compartment Raise - 2.1 x 12.			\$52,418						\$52,418
Subdrifting 1.5 x 2.1		\$15,771	\$5,125	\$4,731					\$25,627
Flat Dip Stope Raise - including strapping side wall			\$57,526						\$57,526
Resue Stopping - Flat Dip				\$313,558	\$350,502	\$289,140	\$180,552		\$1,133,751
Cut & Fill Stopping				\$30,685	\$40,913	\$40,913	\$40,913	\$3,653	\$157,076
Haulage includes loading from d/p's and muckbays		\$4,272	\$6,502	\$5,033	\$3,866	\$3,322	\$2,360	\$68	\$25,422
Mine Services - pumping compressed air, fans, electrical dist., power generati		\$102,574	\$102,574	\$102,574	\$102,574	\$102,574	\$102,574	\$51,287	\$666,729
Contractor's Overhead		\$42,050	\$42,050	\$42,050	\$42,050	\$42,050	\$42,050	\$21,025	\$273,328
Mining Equipment Lease Package		\$77,933	\$77,933	\$77,933	\$77,933	\$77,933	\$77,933	\$38,967	\$506,567
Contactors Fee & Profit 13%		\$35,607	\$53,662	\$70,261	\$70,188	\$62,140	\$47,898	\$9,884	\$349,640
Company Overhead		\$38,220	\$38,220	\$38,220	\$38,220	\$38,220	\$38,220	\$19,110	\$248,430
Maintenance Shop/Washbay		\$15,000	\$35,000						\$50,000
Sandfill Installations			\$50,000						\$50,000
Subtotal Mining Costs		\$440,662	\$667,601	\$726,884	\$726,246	\$656,293	\$532,500	\$143,994	\$3,894,179
Other Charges									
Ore Shipping/Stockpiling 14540 tons @ \$25									\$363,500
Custom Milling 14540 tons @ \$50									\$727,000
Contingency @ 5%									\$249,234
Total Project Costs									\$5,233,913
									\$359.97
Revenue									
Tons Milled	14540								
Head Grade	0.928								
Ounces of Gold in Heads	13490								
Overall Mill Recovery	95.0%								
% Gold to Flot Con	50.0%								
% Gold to Gravity	50.0%								
Ounces - Au Flot @ 10 oz/ton	6408								
Ounces - Au Gravity @ 2000 oz/ton	6408								
Total Ounces Recovered	12816								
Gold Price @ \$380.00 \$US/oz									
exchange @ \$0.74									
NSR - Flot Con @ \$471.00 \$Can per oz									
NSR - Gravity Con @ \$490.00 \$Can per oz									
Gross Revenue									\$6,157,848
Net Profit before Taxes									\$923,935

Preliminary Economic - Open Pit Mining Program
Project Cashflow Summary
Mining from Present Pit Wall to Section 2380E to I570 Elevation

		Period Op Days	Total
			182
Assumptions			
Geologic Reserve	25000 ounces		
Estimated Mining Recovery	85%		
Recovered Grade	1.50 ounces/ton		
Tons of Ore	14167 tons		
Project Costs			
Contractor Mobilization and Demob.		lump	\$50,000
Overburden and Waste Stripping	1,100,000 cu. m. @	\$4.50	\$4,950,000
Ore and Waste Separation Mining	100,000 cu. m. @	\$15.00	\$1,500,000
Waste Dump Rehabilitation	7 days @	\$10,000	\$70,000
Sample Plant/ Ore Rehandling Operations	120 days @	\$500	\$60,000
On Site Management	182 days @	\$1,150	\$209,300
Subtotal Mining Costs			\$6,889,300
Other Charges			
Ore Shipping/Stockpiling	14200 tons @	\$25	\$355,000
Custom Milling	14200 tons @	\$50	\$710,000
Contingency	@	5%	\$397,715
Total Project Costs			\$8,352,015 \$588.17
Revenue			
Tons Milled		14167	
Head Grade - oz/ton		1.500	
Ounces of Gold in Heads		21300	
Overall Mill Recovery		95.0%	
% Gold to Flot Con		50.0%	
% Gold to Gravity		50.0%	
Ounces - Au Flot @	10 oz/ton	10118	
Ounces - Au Gravity @	2000 oz/ton	10118	
Total Ounces Recovered		20235	
Gold Price @	\$380.00 \$US/oz		
exchange @	\$0.74		
NSR - Flot Con @	\$471.00 \$Can	per oz	
NSR - Gravity Con @	\$490.00 \$Can	per oz	
Gross Revenue			\$9,722,918
Net Profit before Taxes			\$1,370,903

Proposed Underground Mining Program
Direct Project Costs by Type - excluding Contractors Fee and Profit, Capital Installations and, Ore Processing Costs

Summary	Period operating days	1	2	3	4	5	6	7	Total		
		28	28	28	28	28	28	14	182		
Work Units											
Distributed Labour Cost		\$164,794	\$237,193	\$308,064	\$311,660	\$279,238	\$221,863	\$54,306	\$1,577,118		
Material Cost		\$79,535	\$141,696	\$197,891	\$195,325	\$167,290	\$117,680	\$10,893	\$910,309		
Contracted Services		\$100,103	\$100,103	\$101,926	\$102,533	\$102,533	\$102,533	\$50,269	\$660,000		
Distributed Equipment Cost		\$45,622	\$49,947	\$48,742	\$46,540	\$45,091	\$42,527	\$18,642	\$297,111		
Total Cost		\$390,054	\$528,938	\$656,623	\$656,058	\$594,153	\$484,602	\$134,109	\$3,444,538		
Unit Cost		\$13,931	\$18,891	\$23,451	\$23,431	\$21,220	\$17,307	\$9,579	\$18,926		
Labour Detail	ms/unit	Cost/ms	Unit Cost								
Manshifts											
Proj. Management	Project Supt	\$360.00		56	56	56	56	56	28	364	
	Shift Foreman	\$306.00		28	28	28	28	28	14	182	
	Geologist	\$250.00		28	28	28	28	28	14	182	
	Eng/Surveyor	\$250.00		28	28	28	28	28	14	182	
	Site Clerk/F.A.	\$180.00		28	28	28	28	28	14	182	
Operations	Miner I	\$278.18		138	303	466	474	400	268	4	2053
	Miner II	\$253.32									
	Utilityman	\$278.18		56	56	56	56	56	28	364	
	Support Crew	\$253.32		56	56	56	56	56	28	364	
Maintenance	L.H. Journeyman	\$339.43		28	28	28	28	28	14	182	
	Journeyman	\$315.15		28	28	28	28	28	14	182	
	L.H. Surface	\$253.32									
	Eq. Op	\$203.06									
Labour Total											
	Manshifts Worked			474	639	802	810	736	604	172	4237
	Wages & Fringes			\$134,132	\$180,263	\$225,421	\$227,712	\$207,053	\$170,495	\$49,167	
	Bonus			\$30,663	\$56,930	\$82,644	\$83,948	\$72,185	\$51,368	\$5,139	
Total Distributed Labour \$				\$164,794	\$237,193	\$308,064	\$311,660	\$279,238	\$221,863	\$54,306	\$1,577,118
Material Detail	\$/ W.Unit										
Drill String		\$9,819	\$17,860	\$26,558	\$25,619	\$21,342	\$13,773	\$106		\$115,078	
Explosives		\$24,728	\$51,814	\$102,195	\$104,183	\$86,530	\$55,291	\$299		\$425,040	
Rockbolt Supplies		\$5,041	\$9,423	\$7,942	\$7,073	\$6,080	\$4,322	\$700		\$40,582	
Construction Material		\$11,321	\$22,957	\$22,770	\$22,078	\$19,664	\$15,392	\$1,315		\$115,497	
Pipe/Hose/Ducting		\$10,768	\$18,128	\$12,475	\$10,011	\$8,974	\$7,139	\$940		\$68,436	
Fuel/Lubricants											
Electrical/Mechanical Parts		\$5,782	\$5,819	\$6,514	\$6,720	\$6,720	\$6,720	\$2,900		\$41,174	
Tires/Tracks											
Small Tools/Consumables		\$7,596	\$11,216	\$14,956	\$15,159	\$13,500	\$10,563	\$2,393		\$75,382	
Safety Supplies		\$1,680	\$1,680	\$1,680	\$1,680	\$1,680	\$1,680	\$840		\$10,920	
Office Supplies		\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$1,400		\$18,200	
Reagents/Chemicals											
Wear Components/Grinding Media											
Total Material \$		\$79,535	\$141,696	\$197,891	\$195,325	\$167,290	\$117,680	\$10,893		\$910,309	
Contracted Services Detail											
Consultants											
Contractors				\$1,823	\$2,430	\$2,430	\$2,430	\$217		\$9,329	
Power Charges											
Telephone/Radio Charges		\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$1,750		\$22,750	
Insurance		\$5,370	\$5,370	\$5,370	\$5,370	\$5,370	\$5,370	\$2,685		\$34,904	
Assay/Testing		\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$1,750		\$22,750	
Accommodation											
Transport/Fares											
Freight/Carrier Charges		\$4,200	\$4,200	\$4,200	\$4,200	\$4,200	\$4,200	\$2,100		\$27,300	
Medical											
Rents/Leases		\$83,533	\$83,533	\$83,533	\$83,533	\$83,533	\$83,533	\$41,767		\$542,967	
Licences/Fees											
Taxes											
Total Contracted Services \$		\$100,103	\$100,103	\$101,926	\$102,533	\$102,533	\$102,533	\$50,269		\$660,000	

**Proposed Underground Mining Program
Project Cashflow Summary
Mining Only 1520-2330 & 1550-2200 Reserve Blocks**

	Period Op Days.	1	2	3	4	5	6	7	Total
		28	28	28	28	28	28		
Project Costs									168
Access Development - Waste - 3.6 x 3.6									
Access Development - 3.06x2.8		\$58,591							\$58,591
Timber Drift - 2.4 x 2.4		\$14,231	\$28,463						\$42,694
Timber Drift - Resued									
Open Raise - 1.2 x1.2									
Two Compartment Raise - 2.1 x 12.			\$52,418						\$52,418
Subdrifting 1.5 x 2.1			\$5,125	\$4,731					\$9,857
Flat Dip Stope Raise - including strapping side wall			\$36,608						\$36,608
Resue Stoping - Flat Dip				\$112,443	\$112,443	\$112,443	\$41,122		\$378,452
Cut & Fill Stoping				\$34,338	\$40,913	\$40,913	\$40,913		\$157,076
Haulage includes loading from d/p's and muckbays		\$3,174	\$1,872	\$1,749	\$1,756	\$1,756	\$1,124		\$11,431
Mine Services - pumping compressed air, fans, electrical dist., power generat		\$87,678	\$87,678	\$87,678	\$87,678	\$87,678	\$87,678		\$526,070
Contractor's Overhead		\$42,050	\$42,050	\$42,050	\$42,050	\$42,050	\$42,050		\$252,303
Mining Equipment Lease Package		\$68,133	\$68,133	\$68,133	\$68,133	\$68,133	\$68,133		\$408,800
Contactors Fee & Profit 13%		\$26,744	\$33,048	\$36,789	\$37,029	\$37,029	\$27,675		\$198,315
Company Overhead		\$36,820	\$36,820	\$36,820	\$36,820	\$36,820	\$36,820		\$220,920
Maintenance Shop/Washbay		\$15,000	\$35,000						\$50,000
Sandfill Installations			\$50,000						\$50,000
Subtotal Mining Costs		\$352,423	\$477,216	\$424,733	\$426,824	\$426,824	\$345,516		\$2,453,536
Other Charges									
Ore Shipping/Stockpiling 7600 tons @ \$25									\$190,000
Custom Milling 7600 tons @ \$50									\$380,000
Contingency @ 5%									\$151,177
Total Project Costs									\$3,174,713
									\$417.73
Revenue									
Tons Milled 7600									
Head Grade 0.891									
Ounces of Gold in Heads 6773									
Overall Mill Recovery 95.0%									
% Gold to Flot Con 50.0%									
% Gold to Gravity 50.0%									
Ounces - Au Flot @ 10 oz/ton 3217									
Ounces - Au Gravity @ 2000 oz/ton 3217									
Total Ounces Recovered 6434									
Gold Price @ \$380.00 \$US/oz									
exchange @ \$0.74									
NSR - Flot Con @ \$471.00 \$Can per oz									
NSR - Gravity Con @ \$490.00 \$Can per oz									
Gross Revenue									\$3,091,705
Net Profit before Taxes									(\$83,008)

Proposed Development - Current Stoping Blocks

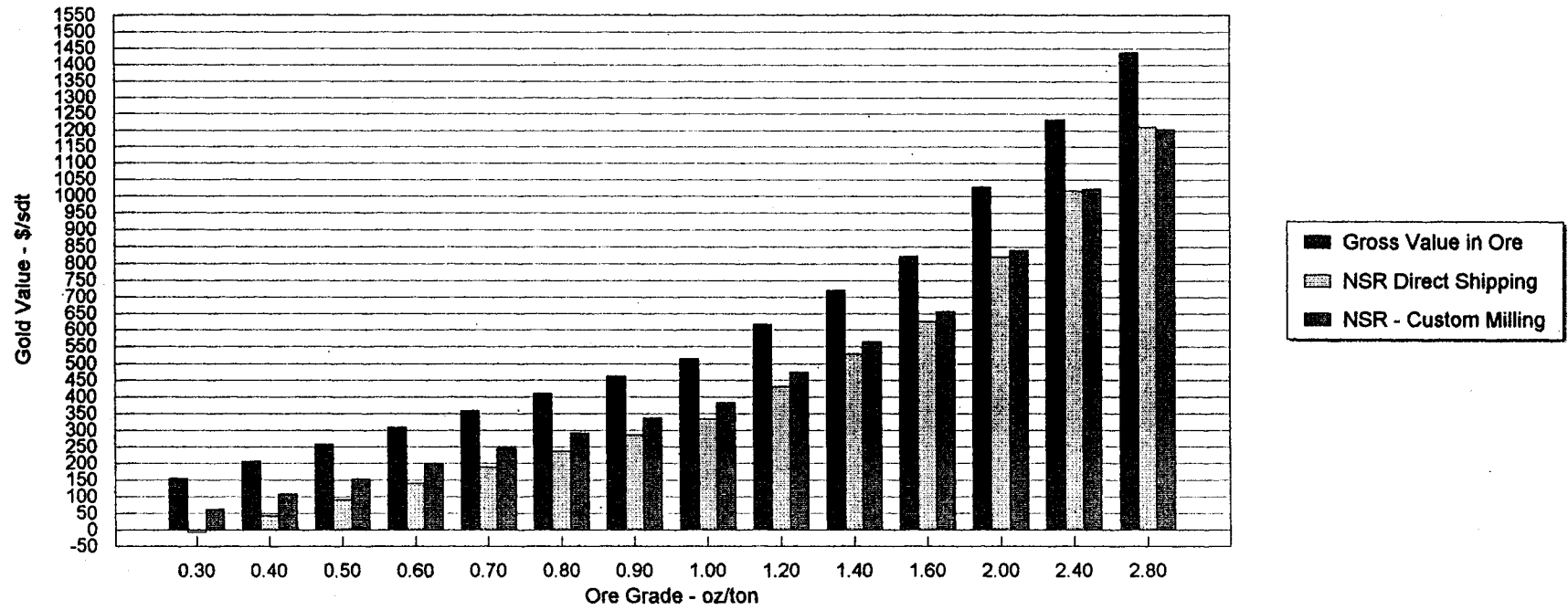
Stoping Block	Access Drifts & X/Cuts	UnderCut Drifts		Subdrifts	Raises		Total
		Resued	Timber		Open	Timbered	
1570-2365							
Top Acc	95		40				
Bottom	27	5		40		26	
Remuck	10						
							243
1570-2305							
Top Acc	32						
Bottom		37	20			18	
							107
1550-2200							
Top Acc			10				
Bottom	10			25			
Remuck	10					57	
							112
1520-2330							
Bottom	22		35			77	
Remuck	10						
							144
Total	216	42	105	65	121	57	606

**Proposed Underground Mining Program
Project Cashflow Summary
Extending Current Ramp from 1510 to 1425**

	Period	1	2	3	4	5	6	7	Total	\$/Meter
	Op Days	28	28	28	28	28			140	
Project Costs	meters	84	168	168	258	118			796	
Access Development - Waste - 3.6 x 3.6		\$56,065	\$112,130	\$112,130	\$97,446				\$377,771	\$474.59
Access Development - 3.06x2.8					\$15,720	\$41,443			\$57,162	\$71.81
Timber Drift - 2.4 x 2.4										
Timber Drift - Resued										
Open Raise - 1.2 x1.2					\$38,217	\$25,478			\$63,695	\$80.02
Two Compartment Raise - 2.1 x 12.										
Subdrifting 1.5 x 2.1										
Flat Dip Stope Raise - including strapping side wall										
Resue Stoping - Flat Dip										
Cut & Fill Stoping										
Haulage includes loading from d/p's and muckbays		\$4,021	\$8,041	\$8,041	\$8,283	\$2,356			\$30,742	\$38.62
Mine Services - pumping compressed air, fans, electrical dist., power generati		\$87,678	\$87,678	\$87,678	\$87,678	\$87,678			\$438,392	\$550.74
Contractor's Overhead		\$42,050	\$42,050	\$42,050	\$42,050	\$42,050			\$210,252	\$264.14
Mining Equipment Lease Package		\$77,933	\$77,933	\$77,933	\$77,933	\$77,933			\$389,667	\$489.53
Contractors Fee & Profit 13%		\$24,676	\$32,487	\$32,487	\$37,621	\$25,871			\$153,142	\$192.39
Company Overhead		\$38,220	\$38,220	\$38,220	\$38,220	\$38,220			\$191,100	\$240.08
Maintenance Shop/Washbay		\$15,000	\$35,000						\$50,000	\$62.81
Sandfill Installations										
Subtotal Mining Costs		\$345,644	\$433,540	\$398,540	\$443,169	\$341,029			\$1,961,923	\$2,464.73
Other Charges										
Contingency @ 5%									\$98,096	
Total Project Costs									\$2,062,484	\$2,591.06

Siwash Gold Mine

Net Smelter Return - Direct shipping vs Milling



Ex Mine Net Smelter Return Calculations - Direct Shipping Ore versus Custom Milling at Greenwood

Grade of Ore	oz/sdt		0.30	0.40	0.50	0.60	0.70	0.80	0.90	1.00	1.20	1.40	1.60	2.00	2.40	2.80
Gold Price	\$380.00 \$US/oz @ \$513.51 \$Can	\$0.74 exchange														
Gross Value at Portal	\$/sdt		\$154.05	\$205.41	\$256.76	\$308.11	\$359.46	\$410.81	\$462.16	\$513.51	\$616.22	\$718.92	\$821.62	\$1,027.03	\$1,232.43	\$1,437.84
Direct Shipping Ore - Current Asarco Terms																
Costs																
Stockpile/Rehandle	\$5.00 \$/sdt															
Trucking to Ashcroft	\$13.00 \$/sdt															
Rail Transport to Helena	\$33.78 \$/sdt															
Treatment Charge	\$101.35 \$/sdt															
Gold Deduction	4.0% of contained gold		\$6.16	\$8.22	\$10.27	\$12.32	\$14.38	\$16.43	\$18.49	\$20.54	\$24.65	\$28.76	\$32.86	\$41.08	\$49.30	\$57.51
Refining Charge	\$8.50 per accountable oz		\$1.87	\$2.50	\$3.12	\$3.74	\$4.37	\$4.99	\$5.62	\$6.24	\$7.49	\$8.74	\$9.98	\$12.48	\$14.98	\$17.47
Sub total	\$/sdt		\$161.17	\$163.85	\$166.53	\$169.20	\$171.88	\$174.56	\$177.24	\$179.92	\$185.27	\$190.63	\$195.98	\$206.70	\$217.41	\$228.12
NSR per sdt ex Portal	\$/sdt		(\$7.12)	\$41.56	\$90.23	\$138.90	\$187.58	\$236.25	\$284.92	\$333.60	\$430.94	\$528.29	\$625.64	\$820.33	\$1,015.02	\$1,209.72
NSR as percent of contained gold in ore ex-portal			-5%	20%	35%	45%	52%	58%	62%	65%	70%	73%	76%	80%	82%	84%
Custom Milling - Bow Mines Mill at Greenwood																
Mill Recovery Overall	95%															
Gold to Flot	50%															
Gold to Gravity	50%															
Flot Con Grade	10 oz/ton															
Gravity Con Grade	2000 oz/ton															
Gold in Flot Con	oz/sdt of mill feed		0.143	0.190	0.238	0.285	0.333	0.380	0.428	0.475	0.570	0.665	0.760	0.950	1.140	1.330
Gold in Gravity Con	oz/sdt of mill feed		0.143	0.190	0.238	0.285	0.333	0.380	0.428	0.475	0.570	0.665	0.760	0.950	1.140	1.330
NSR - Flot Con ex mill			\$67.16	\$89.55	\$111.93	\$134.32	\$156.71	\$179.10	\$201.48	\$223.87	\$268.64	\$313.42	\$358.19	\$447.74	\$537.29	\$626.83
NSR - Gravity Con ex mill			\$69.87	\$93.16	\$118.46	\$139.75	\$163.04	\$186.33	\$209.62	\$232.91	\$279.49	\$326.08	\$372.66	\$465.82	\$558.99	\$652.15
NSR Total ex mill			\$137.03	\$182.71	\$228.39	\$274.07	\$319.75	\$365.42	\$411.10	\$458.78	\$548.14	\$639.49	\$730.85	\$913.56	\$1,096.27	\$1,278.99
less Custom Milling	\$50.00 \$/sdt															
Trucking	\$20.00 \$/sdt															
Ore Stockpiling/Rehandle	\$5.00 \$/sdt															
Subtotal	\$75.00 \$/sdt															
NSR ex Portal			\$62.03	\$107.71	\$153.39	\$199.07	\$244.75	\$290.42	\$336.10	\$381.78	\$473.14	\$564.49	\$655.85	\$838.56	\$1,021.27	\$1,203.99
NSR as percent of contained gold in ore ex-portal			40%	52%	60%	65%	68%	71%	73%	74%	77%	79%	80%	82%	83%	84%

Smelter Schedules

Flotation Con Net Smelter Return Calculation - Asarco???

Value of Flot Con per sdt		\$5,135.14
% Gold Payable	97.0%	\$4,981.08
less Con Bag cost per sdt		\$30.00
Freight cost per sdt		\$50.00
Treatment cost per sdt		\$125.00
Refining Charge per Oz @	\$6.50	\$63.05
Net Smelter Return per sdt of Flot Con		\$4,713.03
Net Smelter Return per oz in Flot Con		\$471.30

Gravity Con Net Smelter Return Calculation - Johnson Matthey

Value of Gravity Con per sdt		\$1,027,027
% Gold Payable	96.5%	\$991,081
less Con Pails cost per sdt	40 @ 2.50	\$1,000.00
Freight & Insurance per sdt		\$2,500.00
Treatment cost per sdt		\$6,900.00
Refining Charge per oz		\$0.00
Net Smelter Return per sdt of Gravity Con		\$980,681
Net Smelter Return per oz in Gravity Con		\$480.34

Equipment Package - Underground Program

Description	Units Estimated	Units x New Value	Units x Value	Monthly Lease @ 4.50%
Dry/Office on lease from ATCO	1			\$2,850
125 kw Gen set	1	\$30,000	\$30,000	\$1,350
275 kw Gen set	1	\$75,000	\$75,000	\$3,375
900 cfm Compressor	2	\$75,000	\$150,000	\$6,750
2 cy Scooptram	1	\$225,000	\$225,000	\$10,125
1 cy Scooptram	2	\$171,000	\$342,000	\$15,390
1/2 cy Scooptram		\$55,000	\$0	\$0
13 ton Truck	1	\$260,000	\$260,000	\$11,700
Jacklegs/Stopers	20	\$3,500	\$70,000	\$3,150
Slushers	5	\$10,000	\$50,000	\$2,250
Shop/Warehouse	1	\$150,000	\$150,000	\$6,750
Initial Small Tool/Equipment Package	1	\$50,000	\$50,000	\$2,250
Fuel Tanks	2	\$2,500	\$5,000	\$225
Fans	4	\$7,500	\$30,000	\$1,350
Pumps	6	\$15,000	\$90,000	\$4,050
Pickups - fully licenced	4	\$30,000	\$120,000	\$5,400
966 FEL	1	\$200,000	\$200,000	\$9,000
Total Lease Package			\$1,847,000	\$83,115