

TO: D.H. WATKINS
 FR ASD
 Re Golden Bear NPV

104K/02
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DCF ANALYSIS: GOLDEN BEAR PROJECT MARCH 21, 1988

PARAMETERS	RESULTS
\$40m ACQUISITION COST	
NET PROFITS AFTER RECOUPMENT	5.35 PRODUCTION YEARS
50.0 % CHEVRON	\$178.6 PROJECT GROSS REVENUE
50.0 % MINNOVA	\$75.6 PROJECT GROSS OPERATING COSTS
PROJECT PARAMETERS	\$103.0 PROJECT NET INCOME
10.0 % INTEREST ON CAPITAL	\$40.0 CAPITAL COSTS
0 COMPOUNDED (1=YES 0=NO)	
12.0 % COST OF CAPITAL	
0.543 Au GRADE opt	DCF SUMMARY
687,500 INVENTORY IN TONS	NPV IRR
\$400.0 GOLD PRICE IN US \$	\$26.1 40.1% PROJECT BEFORE TAX
90 RECOVERY %	(\$22.6) -3.8% MINNOVA BEFORE TAX
1.33 EXCHANGE RATE	(\$28.2) -8.4% MINNOVA AFTER TAX
\$110.0 OPERATING COST \$/TON	
352 MINING RATE TONS/DAY	

Note: After talking to Des at Winston it may be possible to cut mining costs at Golden Bear by \$30/tonne by going to longhole method from their cut + fill.

PART OF YEAR IN PRODUCTION YEAR	PREPRODUCTION			OVERLAP		PRODUCTION				TOTALS		NPV	IRR
	1	2	3	1.00 4	1.00 5	1.00 6	1.00 7	1.00 8	0.35 9	0.00 10	5.35		
PROJECT SUMMARY													
CAPITAL	\$0.0	\$0.0	\$40.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$40.0	\$28.5	
GROSS INCOME	\$0.0	\$0.0	\$0.0	\$33.4	\$33.4	\$33.4	\$33.4	\$33.4	\$11.7	\$0.0	\$178.6	\$89.9	
NSR ROYALTIES (PAYABLE ONLY UNTIL RECOUPMENT OF CAPITAL AND INTEREST)													
0.0% CHEVRON	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
OPERATING COST	\$0.0	\$0.0	\$0.0	\$14.1	\$14.1	\$14.1	\$14.1	\$14.1	\$5.0	\$0.0	\$75.6	\$38.1	
PROJECT NET INCOME	\$0.0	\$0.0	\$0.0	\$19.2	\$19.2	\$19.2	\$19.2	\$19.2	\$6.8	\$0.0	\$103.0	\$51.8	
PROJECT CASH FLOW	\$0.0	\$0.0	(\$40.0)	\$19.2	\$19.2	\$19.2	\$19.2	\$19.2	\$6.8	\$0.0	\$63.0	\$23.3	40.1%
CAPITAL RECOUPMENT SECTION													
10.0 % INTEREST	\$0.0	\$0.0	\$0.0	\$4.0	\$2.5	\$0.8	\$0.0	\$0.0	\$0.0	\$0.0	\$7.3	\$4.4	
INTEREST ON UNRECOUP INT	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
TOTAL INTEREST	\$0.0	\$0.0	\$0.0	\$4.0	\$2.5	\$0.8	\$0.0	\$0.0	\$0.0	\$0.0	\$7.3	\$4.4	
RECOUPED INTEREST	\$0.0	\$0.0	\$0.0	\$4.0	\$2.5	\$0.8	\$0.0	\$0.0	\$0.0	\$0.0	\$7.3	\$4.4	
RECOUPED CAPITAL	\$0.0	\$0.0	\$0.0	\$15.2	\$16.8	\$8.0	\$0.0	\$0.0	\$0.0	\$0.0	\$40.0	\$23.2	
RECOUPED CAPITAL+INTEREST	\$0.0	\$0.0	\$0.0	\$19.2	\$19.2	\$8.8	\$0.0	\$0.0	\$0.0	\$0.0	\$47.3	\$27.6	
UNRECOUPED INTEREST	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
UNRECOUPED CAPITAL	\$0.0	\$0.0	\$40.0	\$24.8	\$8.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$72.7	\$48.7	
UNRECOUP CAPITAL+INTEREST	\$0.0	\$0.0	\$40.0	\$24.8	\$8.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$72.7	\$48.7	
INCOME AFTER RECOUPMENT	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$10.5	\$19.2	\$19.2	\$6.8	\$0.0	\$55.7	\$24.2	
INCOME AFTER RECOUP+NSR	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$10.5	\$19.2	\$19.2	\$6.8	\$0.0			
NET PROFITS ROYALTY SECTION CALCULATED AFTER RECOUPMENT OF CAPITAL													
0.0% ONTEX	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
50.0% CHEVRON	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$5.2	\$9.6	\$9.6	\$3.4	\$0.0	\$27.9	\$12.1	
50.0% MINNOVA	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$5.2	\$9.6	\$9.6	\$3.4	\$0.0	\$27.9	\$12.1	
NET PROFITS TOTAL	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$10.5	\$19.2	\$19.2	\$6.8	\$0.0	\$55.7	\$24.2	
CAPITAL RECOUPMENT	\$0.0	\$0.0	\$0.0	\$19.2	\$19.2	\$8.8	\$0.0	\$0.0	\$0.0	\$0.0	\$47.3	\$27.6	
CFC SUMMARY													
CAPITAL	\$0.0	\$40.0	\$20.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$60.0	\$46.1	
CAPITAL RECOUPMENT	\$0.0	\$0.0	\$0.0	\$19.2	\$19.2	\$8.8	\$0.0	\$0.0	\$0.0	\$0.0	\$47.3	\$27.6	
NET PROFITS SHARE	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$5.2	\$9.6	\$9.6	\$3.4	\$0.0	\$27.9	\$12.1	
MINNOVA CASH FLOW PRE-TAX	\$0.0	(\$40.0)	(\$20.0)	\$9.6	\$9.6	\$9.6	\$9.6	\$9.6	\$3.4	\$0.0	(\$8.5)	(\$22.6)	-3.8%

