

WESTERN MINE

92F/12E

LOCATION:

Located on Myra Creek, 1 mile west of the south end of Buttle Lake. 207 claims and 2 leases, Lynx, Price and Myra group. Alberni Mining District, 110 Mi. W. of Vancouver on Vancouver Island. 50 miles south of Campbell River, B.C.

OWNERSHIP:

Westmin Resources Limited which is 83.7% owned by Great Lakes Power Corp., which is wholly owned by Brascan Limited.

GEOLOGY:

The Lynx, Myra Falls and Price deposits occur in predominantly volcanic rocks of the (Ordovician) Sicker Group. The Sicker Group rocks in the mine area comprise a heterogeneous sequence of volcanic rocks (andesite, dacite, rhyolite), both massive and clastic, with subordinate chemical sediment. The stratigraphic interval of greatest interest is a zone approximately 400 to 500 metres thick which contains all known occurrences of rhyolite and ore sulphides in the mine area. (This zone is referred to as the vent zone.) The massive sulphide deposits at Western Mine have been described as Kuroko-Type Deposits.

RESERVES:

Pre-production reserves:

18,800,000 Tons 1.81% Cu, 0.21% Pb, 3.45% Zn.

Production during period 1967-78

3,650,000Tons 1.6 % Cu, 1.0% Pb, 7.5% Zn, 3.0oz/T Ag, 0.06oz/T Au.

PRODUCTION:

The 750 ton per day mill started in Dec. 1966 and was increased to 1000 tons/day in 1968.

VALUATION: Westmin Mine

Assumptions: 13,700,000 Tons 2.11% Cu, 0.44% Pb, 5.31% Zn, 1.14oz/T Ag,  
0.07oz/T Au.

Recovery 80% Cu, 80% Pb, 80% Zn, 60% Ag, 50% Au.

Production 1982 365,000 Tons

1983 365,000 Tons

1984 etc. 1,000,000 Tons/Yr.

Productive Life 15 years

Capital Cost: \$30,000,000? for development of H-W orebody.

Cu = \$0.80/lb. CAN

Pb = \$0.40/lb. CAN

Zn = \$0.45/lb, CAN

Ag = \$12.00/oz CAN

Au = \$450.00/oz CAN

Operating Costs \$40/Ton

|                |           |              |
|----------------|-----------|--------------|
| Annual Revenue | 1982      | \$33,200,000 |
|                | 1983      | 33,200,000   |
|                | 1984 etc. | 91,900,000   |

|                |           |              |
|----------------|-----------|--------------|
| Operating Cost | 1982      | \$14,600,000 |
|                | 1983      | 14,600,000   |
|                | 1984 etc. | 40,000,000   |

Taxes 55%

NPV (15%) \$101,300,000

Revenue Contributions Cu: \$27,000,000/Yr.

Zn: \$38,200,000/Yr.

Pb: \$ 2,800,000/Yr.

Ag: \$ 8,200,000/Yr.

Au: \$15,700,000/Yr.

ESTIMATED CASH FLOW - WESTMIN Cu-Zn-Pb-Ag-Au (\$000,000)

|                              | 1982<br>1 | 1983<br>2 | 1984<br>3 | 4 | 5 | 6 | 7 | 8    | 14   | 15   |
|------------------------------|-----------|-----------|-----------|---|---|---|---|------|------|------|
| REVENUE                      | 33.2      | 33.2      | 91.9      |   |   |   |   | 91.9 | 91.9 | 91.9 |
| OPERATING COSTS              | 14.6      | 14.6      | 40.0      |   |   |   |   | 40.0 | 40.0 | 40.0 |
| NET INCOME BEFORE ALLOWANCES | 18.6      | 18.6      | 51.9      |   |   |   |   | 51.9 | 51.9 | 51.9 |
| DEPRECIATION ALLOWANCE       | 18.6      | 11.4      | -         |   |   |   |   | -    | -    | -    |
| TAXABLE INCOME               | 0         | 7.2       | 51.9      |   |   |   |   | 51.9 | 51.9 | 51.9 |
| TAX (55%)                    | 0         | 3.9       | 28.5      |   |   |   |   | 28.5 | 28.5 | 28.5 |
| TAX CREDIT                   | -         | -         | -         |   |   |   |   | -    | -    | -    |
| TAX PAYABLE                  | 0         | 3.9       | 28.5      |   |   |   |   | 28.5 | 28.5 | 28.5 |
| NET INCOME AFTER TAXES       | 18.6      | 14.7      | 23.4      |   |   |   |   | 23.4 | 23.4 | 23.4 |
| CAPITAL COSTS                | 18.6      | 11.4      | -         |   |   |   |   | -    | -    | -    |
| AFTER TAX CASH FLOW          | 0         | 3.3       | 23.4      |   |   |   |   | 23.4 | 23.4 | 23.4 |

0 ————— 1 ————— 2 ————— 3 ————— 4 ————— 5 ————— 6 ————— 7 ————— 8 ————— 9 ————— 10

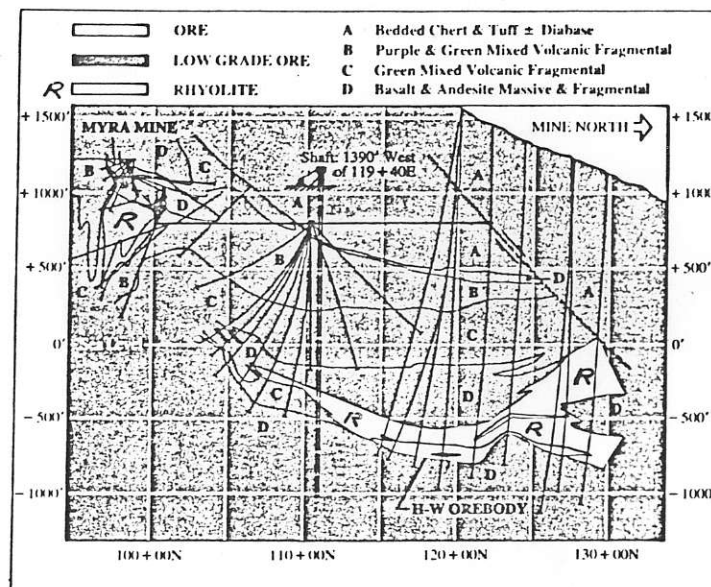
Net Present Value (1982)

$$\begin{aligned}
 NPV &= 23.4 (CPVF_{13}^{15}) (PVF_2^{15}) + PVF_2^{15} (3.3) \\
 &= 23.4 (5.583) (0.7561) + (0.7561) (3.3) \\
 &= 98.8 + 2.5 \\
 &= 101.3
 \end{aligned}$$

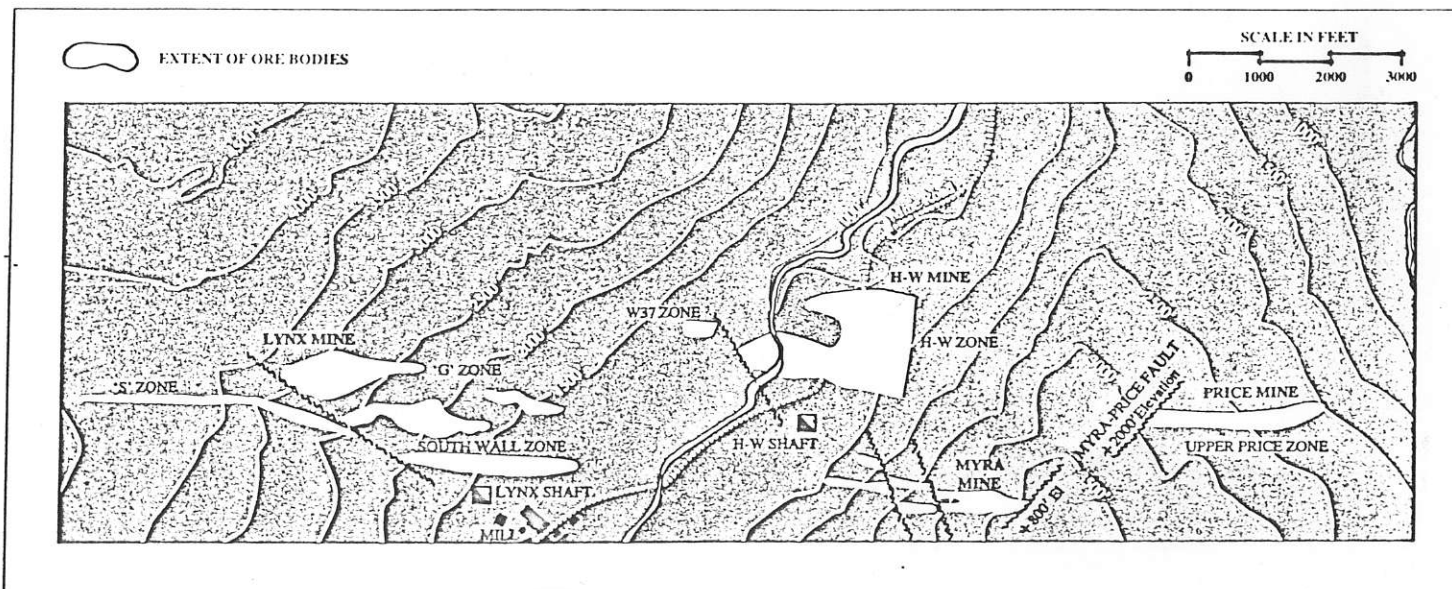
### Summary of Production Statistics

|                                    | 1980    | 1979    |
|------------------------------------|---------|---------|
| Ore Production (tons)              | 306,712 | 294,181 |
| Average daily ore production (tpd) | 965     | 937     |
| Source of ore (%): Lynx            | 70      | 68      |
| Myra                               | 30      | 32      |
| Head Grades                        |         |         |
| Gold (oz/t)                        | .08     | .09     |
| Silver (oz/t)                      | 3.62    | 3.82    |
| Copper (%)                         | 1.22    | 1.32    |
| Lead (%)                           | 1.23    | 1.37    |
| Zinc (%)                           | 7.58    | 8.45    |
| Mill Recovery (%)                  |         |         |
| Copper                             | 81.4    | 82.8    |
| Lead                               | 80.9    | 79.8    |
| Zinc                               | 82.5    | 84.3    |
| Concentrate Production (tons)      |         |         |
| Copper                             | 11,238  | 11,525  |
| Lead                               | 7,266   | 7,462   |
| Zinc                               | 35,790  | 40,307  |

### Myra and H-W Mines Composite Section 119 + 40E to 124 + 00E



### Surface Plan Lynx-Myra-H-W-Price Mines



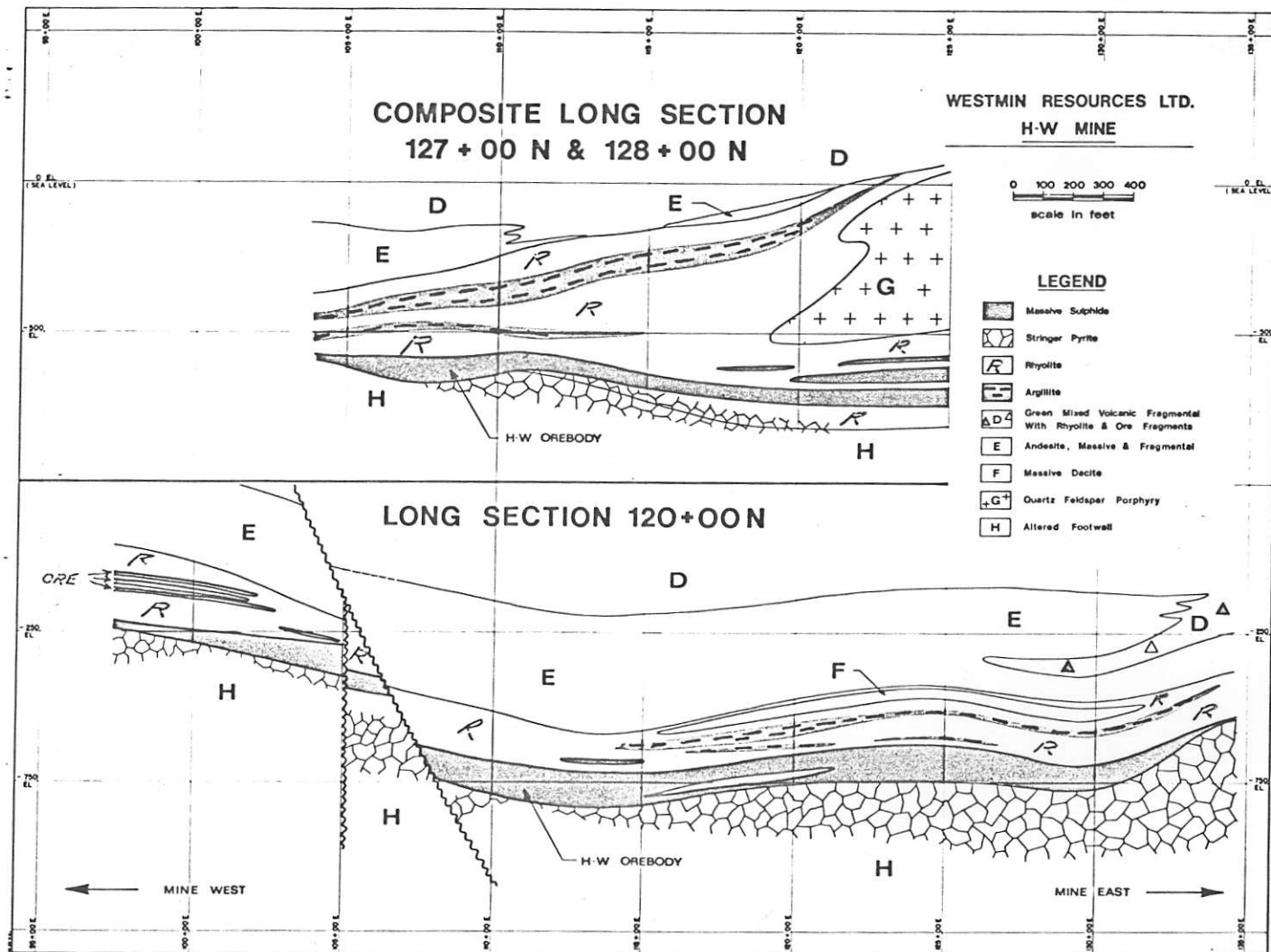
COMPOSITE LONG SECTION  
127 + 00 N & 128 + 00 N

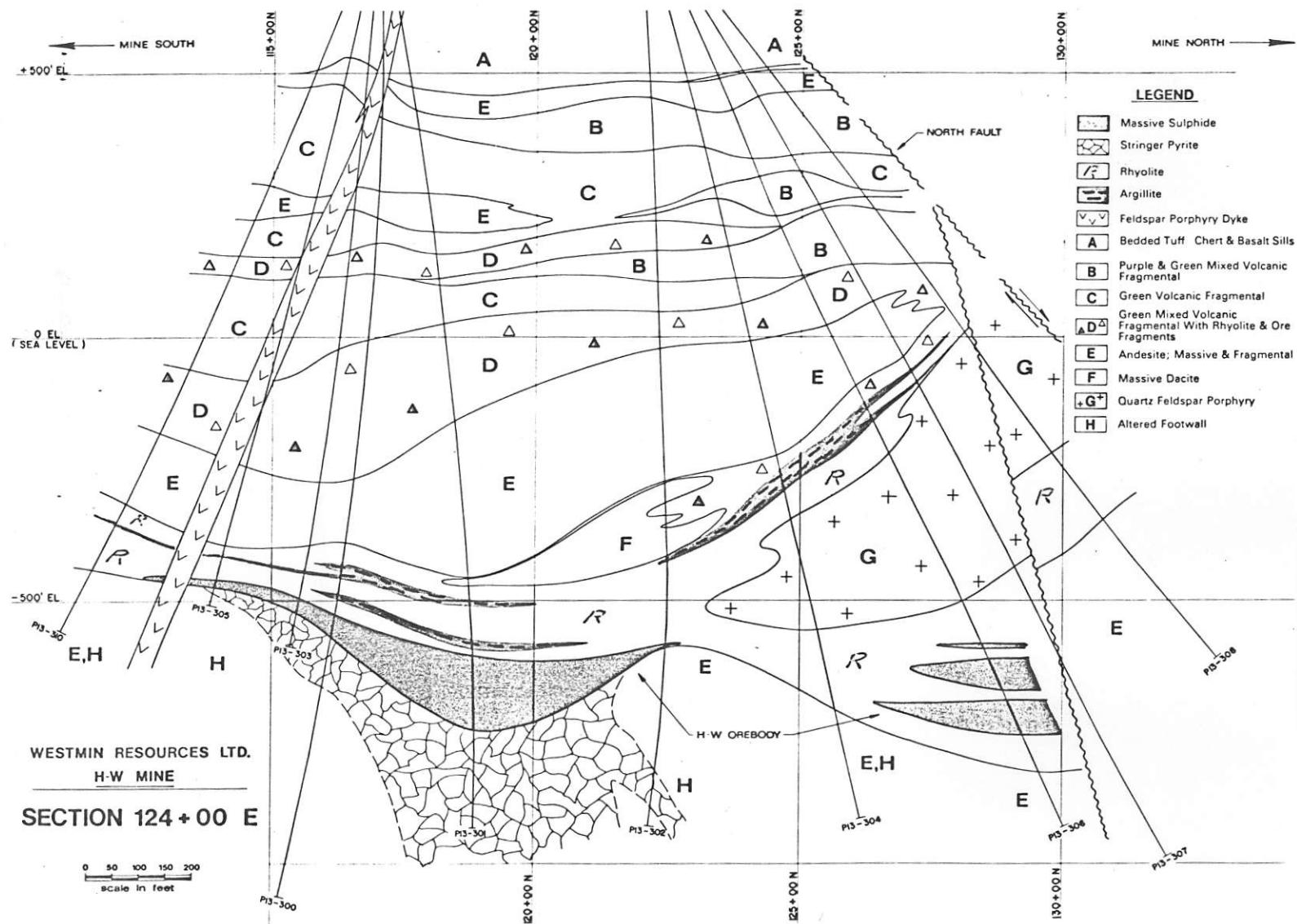
WESTMIN RESOURCES LTD.  
H-W MINE

0 100 200 300 400  
scale in feet

LEGEND

-  Massive Sulfide
-  Stringer Pyrite
-  Rhyolite
-  Argillite
-  Green Mixed Volcanic Fragmental With Rhyolite & Ore Fragments
-  Andesite, Massive & Fragmental
-  Massive Dacite
-  Quartz Feldspar Porphyry
-  Altered Footwall





**LEGEND**

- Massive Sulphide
- Stringer Pyrite
- Rhyolite
- Argillite
- Feldspar Porphyry Dyke
- Bedded Tuff - Chert & Basalt Sills
- Purple & Green Mixed Volcanic Fragmental
- Green Volcanic Fragmental
- Green Mixed Volcanic Fragmental With Rhyolite & Ore Fragments
- Andesite; Massive & Fragmental
- Massive Dacite
- Quartz Feldspar Porphyry
- Altered Footwall