

11:58 10-MAY-73

KERR ADDISON MINES
*** FINANCIAL ANALYSIS ***

CASE: 1 WESTERN MINES

1973 1974 1975 1976 1977 1978

*** PRODUCTION SCHEDULE ***

TONS OF ORE	380,000	380,000	380,000	365,000	350,000	350,000	2,205,000
GRADE OF ORE OZ AU	0.080	0.080	0.080	0.080	0.070	0.070	0.077
GRADE OF ORE OZ AG	4.700	4.700	4.700	3.900	3.100	3.100	4.060
GRADE OF ORE % CU	1.200	1.200	1.200	1.200	1.300	1.300	1.232
GRADE OF ORE % PB	1.300	1.300	1.300	1.200	1.100	1.100	1.220
GRADE OF ORE % ZN	8.100	8.100	8.100	7.900	7.700	7.700	7.940
RECOVERY AU	75.00	75.00	75.00	75.00	75.00	75.00	
RECOVERY AG	75.00	75.00	75.00	75.00	75.00	75.00	
RECOVERY CU	88.50	88.50	88.50	88.50	88.50	88.50	
RECOVERY PB	71.50	71.50	71.50	71.50	71.50	71.50	
RECOVERY ZN	76.00	76.00	76.00	76.00	76.00	76.00	
TOTAL OPERATING REVENUE	11,997,170	11,997,170	11,997,170	10,976,280	10,069,150	10,069,150	67,106,090
TOTAL COST/TON ORE	17.500	17.500	17.500	17.500	17.500	17.500	
TOTAL OPERATING COST	6,650,000	6,650,000	6,650,000	6,387,500	6,125,000	6,125,000	38,587,500
OPERATING PROFIT	5,347,170	5,347,170	5,347,170	4,588,780	3,944,150	3,944,150	28,518,590

*** PROVINCIAL MINING TAXES **

CCA @ 100%	5,347,170	5,347,170	3,805,660	15% of OP - Deprac.			14,500,000 ✓
CCA @ 30%							
PROCESSING ALLOWANCE	8% of 5,000,000		400,000 ✓	688,317 ✓	591,622 ✓	591,622 ✓	2,271,562
MINING TAX BASE			1,141,510	3,900,463	3,352,528	3,352,528	11,747,028
PROVINCIAL MINING TAX PAYABLE			171,226	585,069	502,879	502,879	1,762,054

*** FEDERAL INCOME TAX ***

CCA @ 100%	5,347,170	5,347,170	3,805,660				14,500,000 ✓
CCA @ 30%							
PROV. MINING TAX DEDUCTION			171,226 ✓	585,069 ✓			756,296
PREDEPLETION INCOME			1,370,284	4,003,711	3,944,150	3,944,150	13,262,294
DEPLETION			456,761 ✓	1,334,570 ✓	1,314,717 ✓	1,314,717 ✓	4,420,765
TAX BASE			913,522	2,669,140	2,629,433	2,629,433	8,841,529
TAX PAYABLE			456,761	1,334,570	972,890	972,890	3,737,112

*** CAPITAL EXPENDITURES ***

ANNUAL EXPLORATION EXPENDITURE							
ANNUAL PREPRODUCTION EXPEND.							
ANNUAL CAPITAL EXPENDITURE							
WORKING CAPITAL RECOVERY							
SALVAGE VALUE							

*** CASH FLOW SUMMARY ***

OPERATING PROFIT	5,347,170	5,347,170	5,347,170	4,588,780	3,944,150	3,944,150	28,518,590
PROV. MINING TAX PAYABLE			171,226	585,069	502,879	502,879	1,762,054
FEDERAL TAX PAYABLE			456,761	1,334,570	972,890	972,890	3,737,112
NET CASH FLOW	5,347,170	5,347,170	4,719,182	2,669,140	2,468,381	2,468,381	23,019,424
PRESENT VALUE OF NCF AT 10%	4,861,064	4,419,149	3,545,592	1,823,059	1,532,670	1,393,337	17,574,870
PRESENT VALUE OF NCF AT 12%	4,774,259	4,262,731	3,359,021	1,696,287	1,400,626	1,250,559	16,743,482
PRESENT VALUE OF NCF AT 15%	4,649,713	4,043,229	3,102,939	1,526,090	1,227,221	1,067,149	15,616,341

PROJECT RATE OF RETURN100.50%
(DEFERRED 0.0 YEARS)

PRESENT VALUE OF NCF AT 15.0% 15616341.
(DEFERRED 0.0 YEARS)

PRODUCTION PARAMETERS- MINING

METAL	UNITS	UNIT PRICE	UNIT TOLL	RECOVERY %	GRADE FACTOR
AU	OZ	90.00	10.00	75.0	0.00
AG	OZ	2.25	0.25	75.0	0.00
CU	LB	0.65	0.20	88.5	0.00
PB	LB	0.16	0.11	71.5	0.00
ZN	LB	0.21	0.13	76.0 85.0	0.00

PROVINCIAL TAX PARAMETERS FOR BRITISH COLUMBIA
MILLING ASSETS 5000000.
TAX RATE = 15.00 %

FEDERAL TAX PARAMETERS FOR CANADA
DEPLETION BANK REMAINING 5000000.
TAX RATE BEFORE JAN/77 = 50. %
TAX RATE AS OF JAN/77 = 37. %

*** FINANCIAL ANALYSIS *** 10-MAY-73 11:56

DATA FILE NAME?--WEST

LONG REPORT, SHORT REPORT OR BOTH?--LONG

LONG REPORT NAME?--TTY

R PIP

%ILLEGAL COMMAND
*WEST WEST/A/N

%ILLEGAL COMMAND
*E

EXIT
^C

.R PIP

*WEST WEST/A/N

*^C

.RUN DSK NORFIN

Y--C

.LOG

JOB 21 DATALINE SYSTEM 2 DSL2A1

NOTICE.TXT 1036/10

LAST CHANGED 08:39 17-APR-73

#PASSWORD:

KERRPROJECT?-WEST

EDIT WEST 11:53:51 10-MAY-73 TTYO

.PO:*EDIT: WEST

*00100 COMPANY KERR ADDISON MINES

00200 CASE 1 WESTERN MINES

00300 YEAR 1973 6

00400 PROD MINE

00500 METAL AUOZ ~~98~~ 10 75

00600 METAL AGOZ 2.25 0.25 75

00700 METAL CULB 0.65 0.20 88.5

00800 METAL PBLB 0.17 0.11 71.5

00900 METAL ZNLB 0.205 0.125 ~~76~~ 85

01000 DATA 1 380000 380000 380000 365000 350000 350000

01100 DATA 5 .08 .08 .08 .08 .07 .07

01200 DATA 6 4.7 4.7 4.7 3.9 3.1 3.1

01300 DATA 7 1.2 1.2 1.2 1.2 1.3 1.3

01400 DATA 8 1.3 1.3 1.3 1.2 1.1 1.1

01500 DATA 9 8.1 8.1 8.1 7.9 7.7 7.7

01600 DATA X 69 17.5

01700 END

01800 PTAX BCTAX

01900 ALLOW 5000000

02000 PPYRS

02100 END

02200 FTAX CANDA

02300 CCA 14500000

02400 DEPLT 5000000

02500 RATES 50 37

02600 END

02700 CAPT STCAP

02800 DATA 3

02900 DATA 4

03000 DATA 2

03100 DATA 7

03200 DATA 8

03300 END

03400 CASH STCSH

03500 NCFPV 15

03600 END

03700 PROD PRINT -1 1 5 6 7 8 925262728295969899099

03800 PTAX PRINT -1 1517 8 91099

03900 FTAX PRINT -1 4 6 91012132099

04000 CAPT PRINT -1 3 4 2 7 899

04100 CASH PRINT -1 515163031323399

04200 RIJN

*

100. 98. 100. 76 85

Mill Recovery