

PROJECT RATE OF RETURN . . . . .100.50%  
(DEFERRED 0.0 YEARS)

PRESENT VALUE OF NCF AT 15.0% . . . . . 18412691.  
(DEFERRED 0.0 YEARS)

826318  
Western Mines

PRODUCTION PARAMETERS- MINING

METAL	UNITS	UNIT PRICE	UNIT TOLL	RECOVERY %	GRADE FACTOR
AU	OZ	100.00	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	0.17	0.11	71.5	0.00
ZN	LB	0.21	0.12	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. %

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	75.00
RECOVERY . . . . . AG	75.00	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	88.50
RECOVERY . . . . . PB	71.50	71.50	71.50	71.50	71.50	71.50	71.50
RECOVERY . . . . . ZN	85.00	85.00	85.00	85.00	85.00	85.00	85.00
TOTAL OPERATING REVENUE . . . . .	13,234,602	13,234,602	13,234,602	12,137,382	11,129,930	11,129,930	74,101,048
TOTAL COST/TON ORE . . . . .	17.500	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 . . . . .	6,584,602	6,584,602	6,584,602	5,749,882	5,004,930	5,004,930	35,513,548

\*\*\* PROVINCIAL MINING TAXES \*\*

CCA @ 100% . . . . .	6,584,602	6,584,602	1,330,796				14,500,000
CCA @ 30% . . . . .							
PROCESSING ALLOWANCE . . . . .			788,071	862,482	750,739	750,739	3,152,032
MINING TAX BASE . . . . .			4,465,735	4,887,399	4,254,191	4,254,191	17,861,516
PROVINCIAL MINING TAX PAYABLE . . . . .			669,860	733,110	638,129	638,129	2,679,227

\*\*\* FEDERAL INCOME TAX \*\*\*

CCA @ 100% . . . . .	6,584,602	6,584,602	1,330,796				14,500,000
CCA @ 30% . . . . .							
PROV. MINING TAX DEDUCTION . . . . .			669,860	733,110			1,402,970
PREDEPLETION INCOME . . . . .			4,583,946	5,016,772	5,004,930	5,004,930	19,610,578
DEPLETION . . . . .			1,527,982	1,672,257	1,668,310	1,668,310	6,536,859
TAX BASE . . . . .			3,055,964	3,344,514	3,336,620	3,336,620	13,073,718
TAX PAYABLE . . . . .			1,527,982	1,672,257	1,234,549	1,234,549	5,669,338

\*\*\* CAPITAL EXPENDITURES \*\*\*

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

\*\*\* CASH FLOW SUMMARY \*\*\*

OPERATING PROFIT . . . . .	6,584,602	6,584,602	6,584,602	5,749,882	5,004,930	5,004,930	35,513,548
PROV. MINING TAX PAYABLE . . . . .			669,860	733,110	638,129	638,129	2,679,227
FEDERAL TAX PAYABLE . . . . .			1,527,982	1,672,257	1,234,549	1,234,549	5,669,338
NET CASH FLOW . . . . .	6,584,602	6,584,602	4,386,760	3,344,514	3,132,252	3,132,252	27,164,982
PRESENT VALUE OF NCF AT 10% . . . . .	5,986,002	5,441,820	3,295,838	2,284,348	1,944,882	1,768,075	20,720,965
PRESENT VALUE OF NCF AT 12% . . . . .	5,879,109	5,249,205	3,122,409	2,125,499	1,777,324	1,586,896	19,740,443
PRESENT VALUE OF NCF AT 15% . . . . .	5,725,741	4,978,905	2,884,366	1,912,237	1,557,283	1,354,159	18,412,691