

DCF ANALYSIS:LARA (ABERMIN) DEPOSIT

JAN 1987

Lara
827530
92B/13

MINERAL INVENTORY		TONNAGE 2.000 MILLION TONS										
	GRADE	COPPER	LEAD	ZINC	GOLD	SILVER						
	%	%	%	Oz/T	Oz/T							
RECOVERY %	90.0	50.0	80.0	90.0	80.0							
COMMODITY UNIT	lb.	lb.	lb.	Oz.	Oz.							
PRICE \$US	\$0.620	\$0.235	\$0.470	\$400	\$5.700							
EXCHANGE RATE	1.400	1.400	1.400	1.400	1.400							
PRICE \$CAN	\$0.868	\$0.329	\$0.658	\$560	\$7.980	NSR						
TREATMENT CHARGES \$CAN	\$0.423	\$0.300	\$0.336	\$19.41	\$1.257	TOTAL						
CONTRIBUTION TO NSR/TON	\$5.0	\$0.2	\$18.5	\$46.2	\$14.0	\$84.0						
% TOTAL NSR	6%	0%	22%	55%	17%	100%						
PRODUCTION	DCF RESULTS											
750 MINING RATE TONS/DAY	10.0 % COST OF CAPITAL											
\$60.0 OPERATING COST \$/TON	NPV IRR											
7.3 YEARS PRODUCTION	(\$3.3) 7.2%											
		PREPRODUCTION				PRODUCTION						
% OF YEAR IN PRODUCTION	0%	0%	100%	100%	100%	100%	100%	100%	100%	100%	31%	0%
YEARS IN PRODUCTION	0.0	0.0	1.0	2.0	3.0	4.0	5.0	6.0	7.0	7.3	7.3	
YEAR	1	2	3	4	5	6	7	8	9	10	11	
CASH FLOW: BEFORE TAX AND FOR 100 % OF PROJECT												
CAPITAL	\$18.0	\$17.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
TONS PRODUCED	0.0	0.0	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.1	0.0
GROSS INCOME	\$0.0	\$0.0	\$23.0	\$23.0	\$23.0	\$23.0	\$23.0	\$23.0	\$23.0	\$23.0	\$7.0	\$0.0
OPERATING COST	\$0.0	\$0.0	\$16.4	\$16.4	\$16.4	\$16.4	\$16.4	\$16.4	\$16.4	\$16.4	\$5.0	\$0.0
PROJECT NET INCOME	\$0.0	\$0.0	\$6.6	\$6.6	\$6.6	\$6.6	\$6.6	\$6.6	\$6.6	\$6.6	\$2.0	\$0.0
PROJECT CASH FLOW	(\$18.0)	(\$17.0)	\$6.6	\$6.6	\$6.6	\$6.6	\$6.6	\$6.6	\$6.6	\$6.6	\$2.0	\$0.0

LARA-55F

DCF ANALYSIS:LARA (ABERMIN) DEPOSIT JAN 1987

MINERAL INVENTORY	TONNAGE 1.000 MILLION TONS					
	COPPER	LEAD	ZINC	GOLD	SILVER	
GRADE	0.62	0.81	3.59	0.095	2.61	
	%	%	%	Oz/T	Oz/T	
RECOVERY %	90.0	50.0	80.0	90.0	80.0	
COMMODITY UNIT	lb.	lb.	lb.	Oz.	Oz.	
PRICE \$US	\$0.620	\$0.235	\$0.470	\$400	\$5.700	
EXCHANGE RATE	1.400	1.400	1.400	1.400	1.400	
PRICE \$CAN	\$0.868	\$0.329	\$0.658	\$560	\$7.980	NSR
TREATMENT CHARGES \$CAN	\$0.423	\$0.300	\$0.336	\$19.41	\$1.257	TOTAL
CONTRIBUTION TO NSR/TON	\$5.0	\$0.2	\$18.5	\$46.2	\$14.0	\$84.0
% TOTAL NSR	6%	0%	22%	55%	17%	100%

PRODUCTION	DCF RESULTS	
500 MINING RATE TONS/DAY	10.0 %	COST OF CAPITAL
\$60.0 OPERATING COST \$/TON		NPV IRR
5.5 YEARS PRODUCTION		(\$15.7) -9.3%

	PREPRODUCTION			PRODUCTION						
% OF YEAR IN PRODUCTION	0%	0%	100%	100%	100%	100%	100%	48%	0%	
YEARS IN PRODUCTION	0.0	0.0	1.0	2.0	3.0	4.0	5.0	5.5	5.5	
YEAR	1	2	3	4	5	6	7	8	9	

CASH FLOW: BEFORE TAX AND FOR 100 % OF PROJECT									
CAPITAL	\$18.0	\$17.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
TONS PRODUCED	0.0	0.0	0.2	0.2	0.2	0.2	0.2	0.1	0.0
GROSS INCOME	\$0.0	\$0.0	\$15.3	\$15.3	\$15.3	\$15.3	\$15.3	\$7.3	\$0.0
OPERATING COST	\$0.0	\$0.0	\$11.0	\$11.0	\$11.0	\$11.0	\$11.0	\$5.2	\$0.0
PROJECT NET INCOME	\$0.0	\$0.0	\$4.4	\$4.4	\$4.4	\$4.4	\$4.4	\$2.1	\$0.0
PROJECT CASH FLOW	(\$18.0)	(\$17.0)	\$4.4	\$4.4	\$4.4	\$4.4	\$4.4	\$2.1	\$0.0