

VANGORDA EVALUATION 003331

CYPRUS ANVIL MINING CORPORATION

September 6, 1979

REVISED & FINAL CAME REPORT.

No. 13 for Identification
EXAM. OF DAVIS
W.C. DAUPHINEE
Official Court Reporter

VANGORDA EVALUATION

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10/10/10

VANGORDA EVALUATION REPORT

This report presents several analyses of the net present value of the Vangorda lead-zinc deposit, the dominant asset of Vangorda Mines Limited at the time the take-over bid was made to its shareholders. These analyses have been carried out with the aid of a data center programmed for Cyprus Anvil Mining Corporation's long-range forecasting and incorporates programs reflecting current tax and royalty legislation.

Extensive drilling carried out by Prospectors Airways, a subsidiary of Kerr Addison Mines, clearly established a significant mineralized tonnage, but failed to produce precise information relating to ore reserves and grades due to difficulties encountered in achieving satisfactory core recoveries. Indicated reserves were 9,400,000 short tons grading 3.16 percent lead, 4.96 percent zinc and 1.6 ounces per ton silver. This initial investigation was followed up in 1964 by General Engineering Company, which carried out a mining feasibility study on the western portion of the deposit. In 1979 a re-drilling program was initiated to assess the reliability of earlier assay values and to evaluate the original geological interpretation. Resulting mineable reserves total 6,761,500 tons grading 3.5 percent lead, 4.6 percent zinc and 1.6 ounces of silver per ton.

The net present values of three basic cases, variable as to cost and/or metal price assumptions, are calculated assuming an open pit mine supplying 3,000 short tons per day mill feed to a concentrator operating 350 days per year for 6.4 years, which exhausts the reserves indicated above. It is assumed the development is a free standing project requiring its own concentrator and related ancillary facilities.

The analyses yield a net present value using a 14 percent discount rate applied to future net cash flows. This type of calculation is commonly used in the mining industry to judge the value of a mining project acquisition or development opportunity and properly forms the principal financial analytical basis for decision making. The 14 percent discount rate is regarded as the basic minimum requirement by Cyprus Anvil.

The nature of these analyses presumes that the shareholders of Vangorda Mines would be fully assessable in providing their share of development costs and that no debt financing would be involved. Any attempt to structure an economic model differently would be highly speculative with respect to minority shareholder dilution, extent of project borrowings, interest rates and premiums that would be appropriate, should controlling shareholders provide completion and deficiency guarantees in order to facilitate project borrowings.

In addition to the three basic cases, the impact of adding two years of reserve life to each case is presented because there is a fair possibility that a limited tonnage of additional ore from the eastern portion of the Vangorda deposit could be mined at costs similar to those estimated for the main western section of the deposit that was studied by General Engineering and Cyprus Anvil.

Technical assumptions, capital and operating costs, and transportation and marketing charges are estimated on the basis of consultants' reports and Cyprus Anvil's current experience and anticipated conditions. Smelter treatment terms are based on those currently applicable in Cyprus Anvil's contract with Toho Zinc of Japan, who are Cyprus Anvil's largest customer. These assumptions and estimates are outlined later in the report, along with metal price assumptions. The average prices forming the basis of payment for Cyprus Anvil have averaged over the past five years 1974 to 1978 inclusive: Lead - 24.9 U.S. cents per pound; Zinc - 33.7 U.S. cents per pound; and Silver - 4.66 U.S. dollars per ounce. All cost and price assumptions are in constant ¹⁹⁷⁹ dollars and cents. These analyses assume that inflation in costs with time will be offset by increased prices.

The following table summarizes the net present values of the three basic cases examined and the extension of each case by two additional years of reserves.

<u>Case</u>	<u>Net Present Value*</u> <u>(14% Discount Rate)</u>
Base Case	\$(46,690,000)
Base Case Extended	(48,673,000)
Current Evaluation	(19,566,000)
Current Evaluation Extended	(19,409,000)
Optimistic Evaluation	(5,226,000)
Optimistic Evaluation Extended	(3,659,000)

* Bracketed figures are negative.

It is clear from these analyses that, as a free standing project, the Vangorda Deposit has a negative net present value under even the most optimistic assumptions.

The price of \$1.50 per share or \$3,033,000 negotiated between Cyprus Anvil and Kerr Addison is a result of Vangorda Mines, with the Vangorda deposit as its principal asset, being combined with other mineral properties in the Anvil District, principally the property containing the Grum Deposit. This group of properties and property interests provides Cyprus Anvil with an opportunity to examine, explore, evaluate and develop, where warranted, lead-zinc deposits in a sequence yet to be determined, and to optimize economic factors and best utilize its existing concentrating and ancillary facilities. Existing reserves in the Anvil Mine are sufficient for eight or nine years at current milling rates. Only imprudent or speculative technical assumptions, operating cost estimates and metal price projections, or the opportunity to ultimately sell or re-deal to Cyprus Anvil, would motivate a third party to buy Vangorda for more than a nominal price.

R.E. Gordon Davis

REGD/gw

FINANCIAL
EVALUATION

FINANCIAL EVALUATION

Individual Assumptions Common to All Cases

The Vangorda ore body is to be placed into production as a freestanding project separate from other operations in the Anvil district.

A mill would be built near the existing ore body as well as which, mine equipment, tailing water storage facilities and housing would be required to tie in with existing infrastructure in the area.

Mill throughput would be at the rate of 1,050,000 short tons per year. The forecast plant metallurgical performance is based on the results of the extensive diamond drill program carried out in 1979. A closely spaced drill pattern and the use of larger diameter drill bits generated sufficient quantities of representative ore samples to allow for a comprehensive metallurgical investigation. The parameters shown below are predicted for the average feed grade of the deposit.

Metal Recovery:

Lead 80%
Zinc 77%

Cx 15
80
84

Concentrate Grades and Approximate Annual Tonnage:

Lead - D.M.T. 53,000
Lead 50%
Silver 18.50 oz./DMT
Gold 0.21 oz./DMT

Zinc - D.M.T. 65,000
Zinc 52.8%

62

56

It is assumed sales contracts could be arranged at similar terms to current CAMC contracts with Toho Zinc, the largest customer for CAMC selective lead concentrate and selective zinc concentrate. Due to the probability of high mercury in concentrates this may be optimistic.

Kilborn Engineering have estimated it would be necessary to have 175 employees working. To provide this coverage CAMC experience indicates it would require roughly 200 employees on the company payroll.

Housing for 200 employees could be provided at the Faro townsite at an average unit cost of \$42,500 (25 houses at \$100,000 and 175 single units for \$6 million). This is based on 1979 estimates for CAMC construction of single family units and escalation to 1979 of CAMC historical costs to build the single persons' quarters at Faro.

Capital costs of construction would be as outlined in the Kilborn Engineering estimates, attached as Exhibit One.

Transportation ex mine site would be handled by White Pass and Yukon Route on a contract basis for the inland freight and by company-arranged ocean transportation on a spot basis.

It is assumed residual asset values when the ore body is mined out are zero.

Development, drilling and feasibility studies could cost \$1 million and these could be completed in the first year of a three-year construction period.

Power for this project would have to come from an on-site generating plant. Capital and operating cost estimates have been provided by Kilborn Engineering.

Operating Assumptions

Base Case

This is an evaluation of the ore body using estimates CAMC would have made during October 1978 immediately prior to negotiations with Kerr Addison, and reflect cost expectations for 1979 based on Anvil experience or outside information where it is felt to be more appropriate. Most of these estimates were used in evaluating the Grum deposit at that time.

Current Evaluation

This reflects Anvil experience and the best information available.

Details of operating cost estimates:

Mining: \$1.80 per cu. yd. of material to be moved. This is an estimate prepared by Kilborn and would appear to be optimistic. CAMC costs for the much larger equipment used in its 10,000 ton per day operation are approximately \$1.75 per cu. yd. moved.

Milling costs of \$5.98/D.S.T. are based on CAMC experience with adjustments for additional grinding which will be necessary for this type of ore which is finer grained than Anvil Mine ore.

Electrical - As well as the operating costs for power as estimated by Kilborn, \$250,000 has been provided for on-site electrical labour and supplies. This is roughly one-quarter of current CAMC experience, reflecting optimism relating to smaller pit equipment.

Environmental - These costs have been projected at a minimum of \$100,000 per annum.

It is assumed coal could be acquired from CAMC for 25% over CAMC costs and still be cheaper than oil-fired furnaces.

These assumptions would result in an average on-site production cost of \$11.91 per DST of mill feed.

Transportation to tidewater - White Pass and Yukon Route, which currently provide these services for CAMC on a contract basis, has requested that the current contract be reopened due to its financial difficulties. It is expected the costs to move the Vangorda concentrate would be at least \$36.70 per short wet ton.

Skagway Terminal costs: Approximately \$4.97 per DMT of product. These costs have been included at CAMC current costs plus 20% to cover possible contract revisions. This terminal is owned and operated by White Pass for CAMC on a cost plus basis and is not likely to be adequate to store this product.

General Administration: \$3.29/DST milled. These costs have been included at 30% of CAMC costs. This is an arbitrary estimate and would seem extremely optimistic but is based on the ratio of milling capacity.

Optimistic Evaluation

Same cost bases for Current Evaluation with metal prices increased.

In addition, each of the above cases was re-evaluated assuming an additional 2 years supply of mill feed. This ore is assumed to be oxidized and milling performance is thus characterized by lower recoveries and higher unit milling costs. Computer print-outs for the six cases are contained in Exhibit Two.

Metal Prices

Metal prices and exchange assumptions are probably the most difficult to determine for any analysis of this type. Three basic price assumptions have been used, as shown on the following page, all of which are in relation to 1979 costs.

Base Case: These price levels were used by CAMC in the Anvil District acquisition and were made during September-October 1978.

Current Evaluation: These prices reflect what may well be used by non-ferrous companies evaluating ore bodies at the current time and would probably be used by CAMC.

Optimistic Evaluation: These prices reflect what is considered extremely optimistic for the lead-zinc mining industry.

<u>PRICES & EXCHANGE</u>	<u>BASE CASE</u>	<u>CURRENT EVALUATION</u>	<u>OPTIMISTIC EVALUATION</u>
Lead US ¢/lb.	32.00	40.00	45.00
Zinc US ¢/lb.	40.00	45.00	50.00
Silver US \$/oz.	6.00	8.00	9.00
Gold US \$/oz.	175.00	250.00	300.00
Exchange Cdn \$ to US \$1.00	1.0525	1.111	1.111

T. H. Biggs

THB/gw

EXHIBIT ONE

- 9 -

KILBORN

Kilborn Engineering (B.C.) Ltd. / 1199 W. Pender, Vancouver, Canada V6E 2R1. Telex: 04-507734, Tel: (604) 669-8811

CONFIDENTIAL

July 4, 1979

Cyprus Anvil Mining Corporation
#330 - 355 Burrard Street
Vancouver, B. C.
V6C 2G8

Attention: Mr. J. F. Olk
Senior Vice President

Dear Sirs:

As requested by Mr. L. P. Taggart, we have prepared a factored capital cost estimate for a 3,000 tpd operation based upon open pit mining of the Vangorda deposit. The capital cost is estimated by adapting figures from studies of similar northern operations available in-house.

Included on the following pages are:

- (a) Estimated Capital Cost, 3,000 tpd Operation
- (b) Estimated Mining cost/ton Mill Feed
- (c) Estimated Electrical cost/ton Treated
- (d) Preliminary List Mine Equipment Requirements
- (e) Total Personnel Requirements

Mill and Service operating costs are not included.

We trust these figures meet your immediate needs.

Yours very truly,

KILBORN ENGINEERING (B.C.) LTD.



J. B. Mitchell, P. Eng.
Senior Vice President
Western Operations
Kilborn Engineering Ltd.

JBM:jmi

Attachments

cc: Mr. L. P. Taggart - with attachments

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(a) ESTIMATED CAPITAL COST, 3,000 tpd, 1,050,000 tpy

Thousands Dollars Canadian

Site Preparation	410
Galleries	450
Transfer House	170
Crusher Station	2,200
Concentrator Building	10,080
Equipment	5,600
Pipe and Instruments	1,800
Tailings	4,800
Water & Supply	1,300
Fuel Supply	130
Powerhouse	7,000
Site Electrics	4,700
Yards & Services	680
Service Complex	3,900
Office & Laboratory	960
Surface Mobile	420
Explosive	50
Construction Camp	1,500
Mining - Production Equipment	5,600
Service Equipment	900
	<hr/>
	52,650
Construction Indirects	15,000
Contingency	10,000
Engineering, Procurement and Construction Supervision	7,000
	<hr/>
TOTAL	\$84,650

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- (b) Estimated Mining Cost based on a waste/ore stripping ratio of 3:1 is \$2.74 per ton of mill feed.
- (c) Estimated Total Electrical Cost is 6.12¢/kwh based on a self generated power with a diesel fuel cost of \$1.00 per gallon; or \$2.70 per ton of mill feed. Power cost includes fuel, maintenance.
- (d) Preliminary List - Mine Equipment Requirements

Mine Operating Equipment

Electric - Hydraulic 10 cu yd shovel	1
Electric Rotary 9" Drill	1
Crawler mounted 4" Drill	1
Portable Compressor 750 cfm	1
Tank mounted 2½" Drill with Compressor	1
Front end Load 10 cu yd	1
Rear dump 85 ton Haulage Trucks	5
Rack type Tractor, 300 hp with Ripper	2
Utility Boom (An/Fo) Loader	1
Outdoor portable Switchgear, 5 Kv, 100 mva	2
High Voltage Connector	12
Training Cable	7,500 ft

Mine Services Equipment

Wheel Dozer, 310 hp	1
Front end Loader, 4 cu yd	1
Grader, 14 ft Blade	1
5 Ton Rear Dump Truck and Mounted Hiab 3 ton Crane	1
Pickup Trucks	3
Fuel Truck	1
Lube Truck	1
Water Truck	1
Submersible Pumps	2
Pipeline, steel, 6" dia	1,000 ft
Survey Equipment	-
Radio Equipment	-
Miscellaneous Tools & Equipment	-

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(e) Total Personnel Requirements

Mine		
	Staff	11
	Operators	59
	Maintenance	17
Administration & Surface		42
Mill & Laboratory		44
		—
	TOTAL	173

CASHFLOW REPORT

	39	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
1. SALES LESS CONVERSION	130	0.000	0.000	0.000	29.463	31.576	31.881	31.615	31.192	27.643	13.710
2. + LOAN PAYDOWN	15	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
3. - LOAN REPAYMENTS	135	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
4. + BUYER'S RECD. ADJUSTMENT	102	0.000	0.000	0.000	-5.000	0.000	0.000	0.000	0.000	0.000	0.000
5. + SPENDING CASH ON HAND	103	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5.000
6. CASH AVAILABLE	117	0.000	0.000	0.000	24.463	31.576	31.881	31.615	31.192	27.643	18.710
USE OF CASH											
7. PRODUCTION COSTS	104	0.000	0.000	0.000	18.258	18.261	18.274	18.230	18.162	17.559	7.524
8. ORE BODY ROYALTY	119	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
9. GENERAL AND ADMIN. COSTS	105	0.000	0.000	0.000	3.450	3.450	3.450	3.450	3.450	3.450	1.600
10. INTEREST - TERM DEBT	51	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
11. - HOUSING	222	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
12. PRINCIPAL HOUSING MORTGAGE	108	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
13. CAPITAL - ONGOING/HOUSING	291	0.000	2.000	6.468	.250	.250	.250	.250	.250	.250	0.000
14. - FACILITY	389	2.000	30.000	52.650	0.000	0.000	0.000	0.000	0.000	0.000	0.000
15. EXPLORATION	207	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
16. DEVELOPMENT	225	0.000	0.000	1.691	0.000	0.000	0.000	0.000	0.000	0.000	0.000
17. TOPPING SHARES	110	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
18. YUKON ROYALTY	221	0.000	0.000	0.000	0.000	.350	.512	.530	.517	.495	0.000
19. FED. INCOME TAX	99	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
20. DIVIDENDS	111	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
21. PREPAID EXPENSES	113	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
22. FLOAT ADJUSTMENT	257	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
23. TOTAL	114	3.000	32.000	60.809	21.958	22.311	22.486	22.460	22.379	21.754	9.538
24. CLOSING CASH ON HAND	115	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
25. CASH AVAIL. FOR DISTRIB.	116	-3.000	-32.000	-60.809	2.505	9.266	9.395	9.155	8.813	5.889	9.172
DISCOUNTED CFV											
26. 10 PERCENT	49	-2.727	-26.446	-45.687	1.711	5.753	5.303	4.698	4.111	2.498	3.536
27. 12 PERCENT	42	-2.679	-25.510	-43.283	1.592	5.258	4.760	4.141	3.559	2.124	2.953
28. 14 PERCENT	38	-2.632	-24.623	-41.044	1.483	4.812	4.280	3.659	3.089	1.811	2.474
CUMULATIVE CFV											
29. 10 PERCENT	321	-2.727	-29.174	-74.860	-73.150	-67.396	-62.093	-57.395	-53.284	-50.786	-47.250
30. 12 PERCENT	324	-2.679	-28.189	-71.471	-69.880	-64.622	-59.862	-55.721	-52.161	-50.038	-47.085
31. 14 PERCENT	320	-2.632	-27.255	-68.299	-66.816	-62.004	-57.723	-54.065	-50.975	-49.164	-46.690
32. PRICE - LEAD (US C/LB)	418	0.000	0.000	0.000	32.000	32.000	32.000	32.000	32.000	32.000	32.000
33. ZINC (US C/LB)	419	0.000	0.000	0.000	40.000	40.000	40.000	40.000	40.000	40.000	40.000
34. SILVER (US 1/07420)		0.000	0.000	0.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000
35. GOLD (US 1/07421)		0.000	0.000	0.000	175.000	175.000	175.000	175.000	175.000	175.000	175.000
36. CND. DOLLAR PER U.S. DOLLAR	422	0.000	0.000	0.000	1.053	1.053	1.053	1.053	1.053	1.053	1.053

SALES AND CONVERSION SUMMARY

	1982	1983	1984	1985	1986	1987	1988
CONCENTRATE SOLD(000 DMT)							
1. LEAD SFLFCT 212	49.581	53.191	55.324	54.867	54.105	49.076	24.531
2. ZINC SFLFCT 213	63.346	67.790	65.984	65.429	64.595	55.566	27.393
PAYABLE METAL							
4. LEAD (000 LBS) - SFLC192	51920	55701	57934	57456	56658	51392	25688
7. ZINC (000 LBS) - SELEC194	62564	66954	65170	64622	63798	54880	27055
10. SILVER(000 OZS) - SELEC196	868	931	968	960	947	859	429
13. GOLD (000 OZS) - SELEC200	10	11	11	11	11	10	5
SALES (US\$000)							
16. LEAD - SELECT 180	16615	17824	18539	18386	18131	16445	8220
17. ZINC - SELECT 182	25026	26781	26068	25849	25519	21952	10822
22. SILVER - SELECT 184	5206	5585	5809	5761	5681	5153	2576
25. GOLD - SELECT 188	1746	1873	1948	1932	1905	1728	864
28. GRAND TOTAL 211	48592	52064	52364	51928	51236	45279	22482
CONVERSION COSTS (US\$000)							
TREATMENT CHARGES							
24. LEAD SFLFCT 495	7264	7792	8105	8038	7926	7190	3594
30. ZINC SFLFCT 496	10826	11586	11277	11182	11039	9496	4682
31. BULK 497	0	0	0	0	0	0	0
32. TOTAL 494	18090	19378	19382	19220	18966	16686	8275
OCEAN FREIGHT							
33. BASE COSTS 563	2392	2562	2569	2547	2513	2215	1099
34. INSURANCE 520	0	0	0	0	0	0	0
35. TOTAL 566	2392	2562	2569	2547	2513	2215	1099
OTHER							
36. CONVERSION COSTS(1000/160)	50	50	50	50	50	50	50
37. SUPERINTENDENT 159	68	73	73	72	71	63	31
38. TOTAL 161	118	123	123	122	121	113	81
39. TOTAL CONVERSION COSTS 565	20599	22063	22073	21889	21600	19014	9456
40. NET REVENUE 567	27923	30001	30291	30038	29636	26265	13026
FXCHARGE (\$C/LUS) 157	1.053	1.053	1.053	1.053	1.053	1.053	1.053
NET REVENUE (\$000 CAN) 5	29463	31576	31881	31615	31192	27643	13710

PRODUCTION AND GENERAL ADMINISTRATION COSTS
MINE LIFE FORECAST

	1982	1983	1984	1985	1986	1987	1988
PRODUCTION COSTS							
1. MINE AND MECH. DEPARTMENT	2920	2920	2920	2920	2920	2920	1090
4. COST/CO. YD. MOVED (3)	1.80	1.80	1.80	1.80	1.80	1.80	1.80
5. MILL DEPARTMENT	6279	6279	6279	6279	6279	6279	2780
6. COST/DET (?)	5.98	5.98	5.98	5.98	5.98	5.98	5.98
7. ELECTRICAL DEPT.	3085	3085	3085	3085	3085	3085	1366
8. COAL DEPARTMENT	168	168	168	168	168	168	75
9. ENVIRONMENTAL CONTROL	100	100	100	100	100	100	100
10. SUBTOTAL	12552	12552	12552	12552	12552	12552	5411
11. TRANS. TO TIDEWATER	5180	5183	5196	5152	5084	4481	1881
12. SKACWAY TERMINAL	526	526	526	526	526	526	232
13. TOTAL PRODUCTION COSTS	18258	18261	18274	18230	18162	17559	7524

GENERAL + ADMINISTRATIVE

14. PERSONNEL	0	0	0	0	0	0	0
15. SAFETY + SECURITY	0	0	0	0	0	0	0
16. PURCHASING	0	0	0	0	0	0	0
17. ACCOUNTING	0	0	0	0	0	0	0
18. ENGINEERING	0	0	0	0	0	0	0
19. TOWNSHIP	0	0	0	0	0	0	0
20. GENERAL MANAGER + STAFF	3450	3450	3450	3450	3450	3450	1600
21. VANCOUVER OFFICE	0	0	0	0	0	0	0
22. TOTAL GEN. + ADMIN.	3450	3450	3450	3450	3450	3450	1600

TRANSPORT TO TIDEWATER DETAILS

TRANS. TO TIDEWATER (SWT)

23. LEAD - FCST AT 5. PCT	61011	61718	64194	63663	62779	56943	24983
24. ZINC	80146	79475	77377	76725	75748	65160	26259
25. BULK	0	0	0	0	0	0	0
26. TOTAL	141157	141213	141571	140389	138527	122103	51242
27. COST RATE (4/S.W.T.)	36.70	36.70	36.70	36.70	36.70	36.70	36.70
28. COSTS (4000)	5180	5183	5196	5152	5084	4481	1881
29. LOADOUT MOVEMENT	0	0	0	0	0	0	0
30. TOTAL TRANS. TO TIDEWA	5180	5183	5196	5152	5084	4481	1881

PRODUCTION STATISTICS
MINE LIFE FORECAST

		1982	1983	1984	1985	1986	1987	1988
FIELD GRADE (PERCENT)								
1. LEAD	1	3.45	3.45	3.63	3.60	3.55	3.22	3.19
2. ZINC	2	4.92	4.88	4.75	4.71	4.65	4.00	3.64

3. TOTAL	7	8.37	8.37	8.38	8.31	8.20	7.22	6.83
CUBIC YDS MOVED (000S)								
4. WASTE AND LOW GRADE	8	1322	1322	1322	1322	1322	1322	475
5. ORE	9	296	296	296	296	296	296	131

6. TOTAL	16	1618	1618	1618	1618	1618	1618	606
7. TONS MILLED (000S)	11	1050	1050	1050	1050	1050	1050	465
=====								
MILL FEED (000 LBS)								
8. LEAD	12	72450	73290	76230	75600	74550	67620	29667
9. ZINC	13	103320	102480	99750	98910	97650	84000	33852

METAL RECOVERED (000 LBS)								
10. LEAD - SELECT	18	57960	58632	60984	60480	59640	54096	23734
13. ZINC - SELECT	25	79956	78910	76807	76161	75190	64680	26066
RECOVERIES (PERCENT)								
14. LEAD - SELECT	54	80.00	80.00	80.00	80.00	80.00	80.00	80.00
19. ZINC - SELECT	61	77.00	77.00	72.00	77.00	77.00	77.00	77.00

CONCENTRATE GRADES (PERCENT)								
22. SELECT LEAD	66	50.00	50.00	50.00	50.00	50.00	50.00	50.00
23. SELECT ZINC	73	52.80	52.80	52.80	52.80	52.80	52.80	52.80
26. AG IN SEL. PB (OZ/DWT)	68	18.50	18.50	18.50	18.50	18.50	18.50	18.50
AU IN SEL. PB (OZ/DWT)	70	.21	.21	.21	.21	.21	.21	.21
28. FE IN SEL. ZN	75	11.00	11.00	11.00	11.00	11.00	11.00	11.00

CONCENTRATE PRODUCED (DWT)								
30. LEAD	96	57960	58632	60984	60480	59640	54096	23734
31. ZINC	97	79337	74725	72734	72122	71203	61250	24684

33. TOTAL DWT	101	133297	133357	133718	132602	130843	115346	48417

CONCENTRATE PRODUCED (DWT)								
34. LEAD	102	52581	53191	55324	54867	54105	49076	21531
35. ZINC	103	68346	67750	65984	65429	64595	55566	22393

37. TOTAL DWT	107	120927	120981	121309	120296	118700	104641	43924
=====								

CASHFLOW REPORT

	39	1989	1990
1. SALES LESS CONVERSION	130	16.041	10.727
2. + LOAN DRAWDOWN	15	0.000	0.000
3. - LOAN REPAYMENTS	135	0.000	0.000
4. + BUYERS RECD. ADJUSTMEN	102	0.000	5.000
5. + OPENING CASH ON HAND	103	0.000	0.000
6. CASH AVAILABLE	117	16.041	15.727
USE OF CASH			
7. PRODUCTION COSTS	104	18.330	10.124
8. ORE BODY ROYALTY	119	0.000	0.000
9. GENERAL AND ADMN. COSTS	105	3.450	1.900
10. INTEREST - TERM DEBT	31	0.000	0.000
11. - HOUSING	222	0.000	0.000
12. PRINCIPAL HOUSING MORTGA	108	0.000	0.000
13. CAPITAL - ONGOING/HOUSIN	391	.250	.250
14. - FACILITY	389	0.000	0.000
15. EXPLORATION	207	0.000	0.000
16. DEVELOPMENT	225	0.000	0.000
17. TORRENS SHARES	110	0.000	0.000
18. YUKON ROYALTY	221	.131	.003
19. FED. INCOME TAX	99	0.000	0.000
20. DIVIDENDS	111	0.000	0.000
21. PREPAID EXPENSES	113	0.000	0.000
22. FLOAT ADJUSTMENT	257	0.000	0.000
23. TOTAL	114	22.161	12.277
24. CLOSING CASH ON HAND	115	0.000	0.000
25. CASH AVAIL. FOR DISTRIB.	116	-6.120	3.450
DISCOUNTED NCF			
26. 10 PERCENT	49	-2.145	1.099
27. 12 PERCENT	42	-1.759	.885
28. 14 PERCENT	38	-1.448	.716
CUMULATIVE NPV			
29. 10 PERCENT	321	-51.183	-50.084
30. 12 PERCENT	324	-50.337	-49.452
31. 14 PERCENT	320	-49.389	-48.673
32. PRICES - LEAD (US C/LB) 418	32.000	32.000	
33. ZINC (US C/LB) 419	40.000	40.000	
34. SILVER (US \$/OZ420)	6.000	6.000	
35. GOLD (US \$/OZ421)	175.000	175.000	
36. CND. DOLLAR PER U.S. DOL422	1.053	1.053	

SALES AND CONVERSION SUMMARY

	1982	1983	1984	1985	1986	1987	1988	1989	1990	
CONCENTRATE SOLD (000 DMT)										
1. LEAD SELECT	212	49.581	53.191	55.324	54.867	54.105	49.076	48.618	20.462	14.246
2. ZINC SELECT	213	63.346	67.790	65.984	65.429	64.595	55.566	50.565	48.580	31.696
PAYABLE METAL										
4. LEAD (000 LBS) - SELEC192	51920	55701	57934	57456	56658	51392	52032	22285	15514	
7. ZINC (000 LBS) - SELEC194	62564	66954	65170	64622	63798	54880	49049	46481	30327	
10. SILVER (000 OZS) - SELEC196	868	931	968	960	947	859	763	292	203	
13. GOLD (000 OZS) - SELEC200	10	11	11	11	11	10	9	4	2	
SALES (US\$000)										
16. LEAD - SELECT	180	16615	17824	18539	18386	18131	16445	16650	7131	4564
19. ZINC - SELECT	182	25026	26781	26068	25849	25519	21952	19620	18592	12131
22. SILVFR - SELECT	184	5206	5585	5809	5761	5681	5153	4580	1750	1218
25. GOLD - SELECT	188	1746	1873	1948	1932	1905	1728	1564	624	434
28. GRAND TOTAL	211	48592	52064	52364	51928	51236	45279	42414	28097	18747
CONVERSION COSTS (US\$000)										
TREATMENT CHARGES										
29. LEAD SELECT	495	7264	7792	8105	8038	7926	7190	7123	2998	2087
30. ZINC SELECT	496	10826	11586	11277	11182	11039	9496	8642	8302	5417
31. BULK	497	0	0	0	0	0	0	0	0	0
32. TOTAL	494	18090	19378	19382	19220	18966	16686	15764	11300	7504
OCEAN FREIGHT										
33. BASE COSTS	563	2392	2562	2569	2547	2513	2215	2099	1464	974
34. INSURANCE	520	0	0	0	0	0	0	0	0	0
35. TOTAL	566	2392	2562	2569	2547	2513	2215	2099	1464	974
OTHER										
36. CONVERSION COSTS (\$000/160)	50	50	50	50	50	50	50	50	50	50
37. SUPERINTENDENT	159	68	73	73	72	71	63	60	41	28
38. TOTAL	161	118	123	123	122	121	113	110	91	78
39. TOTAL CONVERSION COSTS \$565	20599	22063	22073	21889	21600	19014	17973	12856	8556	
40. NET REVENUE	567	27993	30001	30291	30038	25636	26265	24441	15241	10191
EXCHANGE (\$C/\$US)	157	1.053	1.053	1.053	1.053	1.053	1.053	1.053	1.053	1.053
NET REVENUE (\$000 CAN)	5	29463	31576	31881	31615	31192	27643	25724	16041	10727

1584
2547 = 21.172
120.3

PRODUCTION AND GENERAL ADMINISTRATION COSTS
MINE LIFE FORECAST

PRODUCTION COSTS		1982	1983	1984	1985	1986	1987	1988	1989	1990
1. MINE AND MECH. DEPARTM	125	2920	2920	2920	2920	2920	2920	2920	2920	1600
4. COST/CU. YD. MOVED (\$)	126	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80
5. MILL DEPARTMENT	127	6279	6279	6279	6279	6279	6279	6279	7591	4172
6. COST/DST (\$)	128	5.98	5.98	5.98	5.98	5.98	5.98	5.98	7.23	7.23
7. ELECTRICAL DEPT.	129	3085	3085	3085	3085	3085	3085	3085	3085	1695
8. COAL DEPARTMENT	130	168	168	168	168	168	168	168	168	52
9. ENVIRONMENTAL CONTROL	131	100	100	100	100	100	100	100	100	100
10. SUBTOTAL	132	12552	12552	12552	12552	12552	12552	12552	13864	7659
11. TRANS. TO TIDEWATER	122	5180	5183	5196	5152	5084	4481	4093	3940	2165
12. SKAGWAY TERMINAL	133	526	526	526	526	526	526	526	526	300
13. TOTAL PRODUCTION COSTS	134	18258	18261	18274	18230	18162	17559	17171	18330	10124

GENERAL + ADMINISTRATIVE

14. PERSONNEL	135	0	0	0	0	0	0	0	0	0
15. SAFETY + SECURITY	136	0	0	0	0	0	0	0	0	0
16. PURCHASING	137	0	0	0	0	0	0	0	0	0
17. ACCOUNTING	138	0	0	0	0	0	0	0	0	0
18. ENGINEERING	139	0	0	0	0	0	0	0	0	0
19. TOWNSITE	140	0	0	0	0	0	0	0	0	0
20. GENERAL MANAGER + STAFF	141	3450	3450	3450	3450	3450	3450	3450	3450	1900
21. VANCOUVER OFFICE	142	0	0	0	0	0	0	0	0	0
22. TOTAL GEN. + ADMIN.	143	3450	3450	3450	3450	3450	3450	3450	3450	1900

TRANSPORT TO TIDEWATER DETAILS

TRANS. TO TIDEWATER (SWT)

23. LEAD - FCST AT 5. PCT	113	61011	61718	64194	63663	62779	56943	45090	36984	20323
24. ZINC	6. 114	80146	79495	77377	76725	75748	65160	66436	70379	38675
25. BULK	5.8 115	0	0	0	0	0	0	0	0	0
26. TOTAL	118	141157	141213	141571	140389	138527	122103	111525	107363	58998
27. COST RATE (\$/S.W.T.)	119	36.70	36.70	36.70	36.70	36.70	36.70	36.70	36.70	36.70
28. COSTS (1000)	120	5180	5183	5196	5152	5084	4481	4093	3940	2165
29. LOADOUT MOVEMENT	121	0	0	0	0	0	0	0	0	0
30. TOTAL TRANS. TO TIDEWA	122	5180	5183	5196	5152	5084	4481	4093	3940	2165

PRODUCTION STATISTICS
 MINE LIFE FORECAST

		1982	1983	1984	1985	1986	1987	1988	1989	1990
FEED GRADE (PERCENT)										
1. LEAD	1	3.45	3.49	3.63	3.60	3.55	3.22	3.03	2.90	2.40
2. ZINC	2	4.92	4.86	4.75	4.71	4.65	4.00	4.45	5.10	5.10

3. TOTAL	7	8.37	8.37	8.38	8.31	8.20	7.22	7.48	8.00	8.00
CUBIC YDS MOVED (000S)										
4. WASTE AND LOW GRADE	8	1322	1322	1322	1322	1322	1322	1322	1322	726
5. ORE	9	296	296	296	296	296	296	296	296	162

6. TOTAL	10	1618	1618	1618	1618	1618	1618	1618	1618	888
7. TONS MILLED (000S)	11	1050	1050	1050	1050	1050	1050	1050	1050	577
=====										
MILL FEED (000 LBS)										
8. LEAD	12	72450	73250	76230	75600	74550	67620	63630	60900	33466
9. ZINC	13	103320	102480	99750	98910	97650	84000	93450	107100	58854
=====										
METAL RECOVERED (000 LBS)										
10. LEAD - SELECT	18	57960	58632	60984	60480	59640	54096	43777	36540	20080
13. ZINC - SELECT	25	79556	78910	76807	76161	75190	64680	64948	68008	37372
RECOVERIES (PERCENT)										
16. LEAD - SELECT	54	80.00	80.00	80.00	80.00	80.00	80.00	68.80	60.00	60.00
19. ZINC - SELECT	61	77.00	77.00	77.00	77.00	77.00	77.00	69.50	63.50	63.50
CONCENTRATE GRADES (PERCENT)										
22. SELECT LEAD	66	50.00	50.00	50.00	50.00	50.00	50.00	51.10	52.00	52.00
23. SELECT ZINC	73	52.80	52.80	52.80	52.80	52.80	52.80	52.00	51.40	51.40
26. AG IN SEL. PB (OZ/DMT)	68	18.50	18.50	18.50	18.50	18.50	18.50	16.70	15.25	15.25
AU IN SEL. PB (OZ/DMT)	70	.21	.21	.21	.21	.21	.21	.19	.18	.18
28. FE IN SEL. ZN	75	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
CONCENTRATE PRODUCED (DST)										
30. LEAD	96	57960	58632	60984	60480	59640	54096	42835	35135	19307
31. ZINC	97	75337	74725	72734	72122	71203	61250	62450	66156	36354

33. TOTAL DST	101	133297	133357	133718	132602	130443	115346	105285	101291	55662
CONCENTRATE PRODUCED (DMT)										
34. LEAD	102	52581	53191	55324	54867	54105	49076	38860	31874	17515
35. ZINC	103	68346	67790	65984	65429	64595	55566	56654	60016	32980

37. TOTAL DMT	107	120927	120981	121309	120296	118700	104641	95514	91890	50496
=====										

SALES AND CONVERSION SUMMARY

	1982	1983	1984	1985	1986	1987	1988
CONCENTRATE SOLD(000 DMT)							
1. LEAD SELECT	212	49.581	53.191	55.324	54.867	54.105	49.076
2. ZINC SELECT	213	63.346	67.790	65.984	65.429	64.595	55.566
PAYABLE METAL							
4. LEAD (000 LBS) - SFLFC192	51920	55701	57934	57456	56658	51392	25688
7. ZINC (000 LBS) - SELEC194	62564	66954	65170	64622	63798	54880	27055
10. SILVER(000 OZS)- SELEC196	868	931	968	960	947	859	429
13. GOLD (000 OZS) - SELEC200	10	11	11	11	11	10	5
SALES (US\$1000)							
16. LEAD - SELECT	180	20768	22280	23174	22982	22663	20557
19. ZINC - SELECT	182	28154	30129	29326	29080	28709	24696
22. SILVER - SELECT	184	6941	7447	7745	7681	7575	6871
25. GOLD - SELECT	188	2494	2676	2783	2760	2722	2469
25. GRAND TOTAL	211	58358	62932	63029	62504	61669	54592
CONVERSION COSTS (US\$1000)							
TREATMENT CHARGES							
29. LEAD SELECT	495	7933	8511	8852	8779	8657	7852
30. ZINC SELECT	496	11665	12464	12151	12049	11895	10233
31. BULK	497	0	0	0	0	0	0
32. TOTAL	494	19598	20994	21003	20828	20552	18085
OCEAN FREIGHT							
33. BASE COSTS	563	2392	2562	2569	2547	2513	2215
34. INSURANCE	520	0	0	0	0	0	0
35. TOTAL	566	2392	2562	2569	2547	2513	2215
OTHER							
36. CONVERSION COSTS(1000/160)	50	50	50	50	50	50	50
37. SUPERINTENDENT	159	68	73	73	72	71	63
38. TOTAL	161	118	123	123	122	121	113
39. TOTAL CONVERSION COSTS	565	22108	23679	23694	23497	23187	20413
40. NET REVENUE	567	36250	38053	38335	39007	38482	34179
EXCHANGE (1C/\$US)	157	1.111	1.111	1.111	1.111	1.111	1.111
NET REVENUE (\$1000 CAN)	5	40278	43170	43705	43340	42758	37977

PRODUCTION AND GENERAL ADMINISTRATION COSTS
MINE LIFE FORECAST

	1982	1983	1984	1985	1986	1987	1988
PRODUCTION COSTS							
1. MINE AND MECH. DEPTM123	2920	2920	2920	2920	2920	2920	1090
4. COST/CH. YR. MOVED (\$)126	1.80	1.80	1.80	1.80	1.80	1.80	1.80
5. MILL DEPARTMENT 127	6279	6279	6279	6279	6279	6279	2780
6. COST/DST (\$) 128	5.98	5.98	5.98	5.98	5.98	5.98	5.98
7. ELECTRICAL DEPT. 129	3085	3085	3085	3085	3085	3085	1366
8. COAL DEPARTMENT 130	168	168	168	168	168	168	75
9. ENVIRONMENTAL CONTROL 131	100	100	100	100	100	100	100
10. SUBTOTAL 132	12552	12552	12552	12552	12552	12552	5411
11. TRANS. TO TIDEWATER 122	5180	5183	5196	5152	5084	4481	1881
12. SKAGWAY TERMINAL 133	526	526	526	526	526	526	232
13. TOTAL PRODUCTION COSTS134	18258	18261	18274	18230	18162	17559	7524

GENERAL + ADMINISTRATIVE

14. PERSONNEL 135	0	0	0	0	0	0	0
15. SAFETY + SECURITY 136	0	0	0	0	0	0	0
16. PURCHASING 137	0	0	0	0	0	0	0
17. ACCOUNTING 138	0	0	0	0	0	0	0
18. ENGINEERING 139	0	0	0	0	0	0	0
19. TOWNSITE 140	0	0	0	0	0	0	0
20. GENERAL MANAGER + STAF141	3450	3450	3450	3450	3450	3450	1600
21. VANCOUVER OFFICE 142	0	0	0	0	0	0	0
22. TOTAL GEN. + ADMIN. 143	3450	3450	3450	3450	3450	3450	1600

TRANSPORT TO TIDEWATER DETAILS

TRANS. TO TIDEWATER (SWT)

23. LEAD - FCST AT 5. PCT113	61011	61718	64194	63663	62779	56943	24983
24. ZINC 6. 114	80146	79495	77377	76725	75748	65160	26259
25. BULK 5.H 115	0	0	0	0	0	0	0
26. TOTAL 118	141157	141213	141571	140389	138527	122103	51242
27. COST RATE (\$/S.W.T.) 119	36.70	36.70	36.70	36.70	36.70	36.70	36.70
28. COSTS (1000) 120	5180	5183	5196	5152	5084	4481	1881
29. LOADOUT MOVEMENT 121	0	0	0	0	0	0	0
30. TOTAL TRANS. TO TIDEWA122	5180	5183	5196	5152	5084	4481	1881

PRODUCTION STATISTICS
MINE LIFE FORECAST

		1982	1983	1984	1985	1986	1987	1988
FIELD GRADE (PERCENT)								
1. LEAD	1	3.45	3.49	3.63	3.60	3.55	3.22	3.19
2. ZINC	2	4.92	4.88	4.75	4.71	4.65	4.00	3.64
3. TOTAL	7	8.37	8.37	8.38	8.31	8.20	7.22	6.83
CUBIC YDS MOVED (000S)								
4. WASTE AND LOW GRADE	8	1322	1322	1322	1322	1322	1322	475
5. ORF	9	296	296	296	296	296	296	131
6. TOTAL	10	1618	1618	1618	1618	1618	1618	606
7. TONS MILLED (000S)	11	1050	1050	1050	1050	1050	1050	465
MILL FEED (000 LBS)								
8. LEAD	12	72450	73290	76230	75600	74550	67620	29667
9. ZINC	13	103320	102480	99750	98910	97650	84000	33852
METAL RECOVERED (000 LBS)								
10. LEAD - SELECT	18	57960	58632	60984	60480	59640	54096	23734
13. ZINC - SELECT	25	79556	78910	76807	76161	75190	64680	26066
RECOVERIES (PERCENT)								
16. LEAD - SELECT	54	80.00	80.00	80.00	80.00	80.00	80.00	80.00
19. ZINC - SELECT	61	77.00	77.00	77.00	77.00	77.00	77.00	77.00
CONCENTRATE GRADES (PERCENT)								
22. SELECT LEAD	66	50.00	50.00	50.00	50.00	50.00	50.00	50.00
23. SELECT ZINC	73	52.80	52.80	52.80	52.80	52.80	52.80	52.80
26. AG IN SFL. PB (OZ/DMT)	68	18.50	18.50	18.50	18.50	18.50	18.50	18.50
AU IN SFL. PB (OZ/DMT)	70	.21	.21	.21	.21	.21	.21	.21
28. FE IN SEL. ZN	75	11.00	11.00	11.00	11.00	11.00	11.00	11.00
CONCENTRATE PRODUCED (DST)								
30. LEAD	96	57960	58632	60984	60480	59640	54096	23734
31. ZINC	97	75337	74725	72734	72122	71203	61250	24684
33. TOTAL DST	101	133297	133357	133718	132602	130843	115346	48417
CONCENTRATE PRODUCED (DMT)								
34. LEAD	102	52581	53191	55324	54867	54105	49076	21531
35. ZINC	103	68346	67790	65984	65429	64595	55566	22393
37. TOTAL DMT	107	120927	120981	121309	120296	118700	104641	43924

CASHFLOW REPORT

	39	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
1. SALES LESS CONVERSION	130	0.000	0.000	0.000	40.278	43.170	43.705	43.340	42.758	37.977	35.473
2. + LOAN DRAWDOWN	15	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
3. - LOAN REPAYMENTS	135	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
4. + BUYERS RECD. ADJUSTMEN	102	0.000	0.000	0.000	-5.000	0.000	0.000	0.000	0.000	0.000	0.000
5. + OPENING CASH ON HAND	103	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
6. CASH AVAILABLE	117	0.000	0.000	0.000	35.278	43.170	43.705	43.340	42.758	37.977	35.473
USE OF CASH											
7. PRODUCTION COSTS	104	0.000	0.000	0.000	18.258	18.261	18.274	18.230	18.162	17.559	17.171
8. ORE BODY ROYALTY	119	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
9. GENERAL AND ADMN. COSTS	105	0.000	0.000	0.000	3.450	3.450	3.450	3.450	3.450	3.450	3.450
10. INTEREST - TERM DEBT	31	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
11. - HOUSING	222	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
12. PRINCIPAL HOUSING MORTGAGE	108	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
13. CAPITAL - ONGOING/HOUSING	391	0.000	2.000	6.468	.250	.250	.250	.250	.250	.250	.250
14. - FACILITY	389	2.000	30.000	52.658	0.000	0.000	0.000	0.000	0.000	0.000	0.000
15. EXPLORATION	207	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
16. DEVELOPMENT	225	0.000	0.000	1.691	0.000	0.000	0.000	0.000	0.000	0.000	0.000
17. TORPENS SHARES	110	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
18. YUKON ROYALTY	221	0.000	0.000	0.000	0.000	1.164	1.397	1.444	1.415	1.246	.703
19. FED. INCOME TAX	99	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.822	6.031
20. DIVIDENDS	111	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
21. PREPAID EXPENSES	113	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
22. FLOAT ADJUSTMENT	257	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
23. TOTAL	114	3.000	32.000	60.809	21.958	23.124	23.371	23.374	23.277	25.327	27.005
24. CLOSING CASH ON HAND	115	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
25. CASH AVAIL. FOR DISTRIB.	116	-3.000	-32.000	-60.809	13.319	20.046	20.334	19.966	19.480	12.650	7.008
DISCOUNTED NCF											
26. 10 PERCENT	49	-2.727	-26.446	-45.687	9.097	12.447	11.478	10.246	9.088	5.365	3.033
27. 12 PERCENT	42	-2.679	-25.510	-43.283	8.465	11.374	10.302	9.032	7.868	4.562	2.533
28. 14 PERCENT	38	-2.632	-24.623	-41.044	7.886	10.411	9.264	7.979	6.829	3.890	2.122
CUMULATIVE NPV											
29. 10 PERCENT	321	-2.727	-29.174	-74.860	-65.763	-53.316	-41.838	-31.593	-22.505	-17.140	-14.107
30. 12 PERCENT	324	-2.679	-28.189	-71.471	-63.007	-51.632	-41.331	-32.299	-24.431	-19.870	-17.336
31. 14 PERCENT	320	-2.632	-27.255	-68.299	-60.413	-50.002	-40.738	-32.759	-25.930	-22.040	-19.518
32. PRICES - LEAD (US C/LB)	418	0.000	0.000	0.000	40.000	40.000	40.000	40.000	40.000	40.000	40.000
33. ZINC (US C/LB)	419	0.000	0.000	0.000	45.000	45.000	45.000	45.000	45.000	45.000	45.000
34. SILVER (US \$/OZ420)		0.000	0.000	0.000	8.000	8.000	8.000	8.000	8.000	8.000	8.000
35. GOLD (US \$/OZ421)		0.000	0.000	0.000	250.000	250.000	250.000	250.000	250.000	250.000	250.000
36. CND. DOLLAR PER U.S. DOL422		0.000	0.000	0.000	1.111	1.111	1.111	1.111	1.111	1.111	1.111

CASHFLOW REPORT

	39	1989	1990
1. SALES LESS CONVERSION	130	21.420	14.365
2. + LOAN DRAWDOWN	15	0.000	0.000
3. - LOAN REPAYMENTS	135	0.000	0.000
4. + BUYERS RECD. ADJUSTMEN	102	0.000	5.000
5. + OPENING CASH ON HAND	103	0.000	0.000
6. CASH AVAILABLE	117	21.420	19.365

USE OF CASH

7. PRODUCTION COSTS	104	18.330	10.124
8. ORE BODY ROYALTY	119	0.000	0.000
9. GENERAL AND ADMN. COSTS	105	3.450	1.900
10. INTEREST - TERM DEBT	31	0.000	0.000
11. - HOUSING	222	0.000	0.000
12. PRINCIPAL HOUSING MORTGAGE	108	0.000	0.000
13. CAPITAL - ONGOING/HOUSING	391	.250	.250
14. - FACILITY	389	0.000	0.000
15. EXPLORATION	207	0.000	0.000
16. DEVELOPMENT	225	0.000	0.000
17. TORRENS SHARES	110	0.000	0.000
18. YUKON ROYALTY	221	.441	.419
19. FED. INCOME TAX	99	1.968	.779
20. DIVIDENDS	111	0.000	0.000
21. PREPAID EXPENSES	113	0.000	0.000
22. FLOAT ADJUSTMENT	257	0.000	0.000
23. TOTAL	114	24.439	13.473
24. CLOSING CASH ON HAND	115	0.000	0.000
25. CASH AVAIL. FOR DISTRID.	116	-3.019	5.892
DISCOUNTED NCF			
26. 10 PERCENT	49	-1.058	1.877
27. 12 PERCENT	42	-.868	1.512
28. 14 PERCENT	38	-.714	1.223
CUMULATIVE NPV			
29. 10 PERCENT	321	-15.165	-13.287
30. 12 PERCENT	324	-18.204	-16.692
31. 14 PERCENT	320	-20.632	-19.409
32. PRICES - LEAD (US C/LB)	418	40.000	40.000
33. ZINC (US C/LB)	419	45.000	45.000
34. SILVER (US \$/OZ)	420	8.000	8.000
35. GOLD (US \$/OZ)	421	250.000	250.000
36. CND. DOLLAR PER U.S. DOL	422	1.111	1.111

SALES AND CONVERSION SUMMARY

	1982	1983	1984	1985	1986	1987	1988	1989	1990	
CONCENTRATE SOLD (000 DMT)										
1. LEAD SELECT	212	49,581	53,191	55,324	54,867	54,105	49,076	48,618	20,462	14,245
2. ZINC SELECT	213	63,346	67,790	65,984	65,429	64,595	55,566	50,565	48,580	31,496
PAYABLE METAL										
4. LEAD (000 LBS) - SELEC192	51920	55701	57934	57456	56658	51392	52032	22285	15514	
7. ZINC (000 LBS) - SELEC194	62564	66954	65170	64622	63798	54880	49049	46481	30327	
10. SILVER (000 OZS) - SELEC196	868	931	968	960	947	859	763	292	203	
13. GOLD (000 OZS) - SELEC200	10	11	11	11	11	10	9	4	2	
SALES (US\$000)										
16. LEAD - SELECT	180	20768	22280	23174	22982	22663	20557	20813	8914	6006
19. ZINC - SELECT	182	28154	30129	29326	29080	28709	24696	22072	20917	13647
22. SILVER - SELECT	184	6941	7447	7745	7681	7575	6871	6106	2333	1624
25. GOLD - SELECT	188	2494	2676	2783	2760	2722	2469	2234	891	620
28. GPAND TOTAL	211	58358	62532	63029	62504	61669	54592	51226	33054	22097
CONVERSION COSTS (US\$000)										
TREATMENT CHARGES										
29. LEAD SELECT	495	7933	8511	8852	8779	8657	7852	7779	3274	2279
30. ZINC SELECT	496	11665	12484	12151	12049	11895	10233	9312	8946	5837
31. BULK	497	0	0	0	0	0	0	0	0	0
32. TOTAL	494	19598	20994	21003	20828	20552	18085	17091	12220	8116
OCEAN FREIGHT										
33. BASIC COSTS	563	2392	2562	2569	2547	2513	2215	2099	1464	974
34. INSURANCE	520	0	0	0	0	0	0	0	0	0
35. TOTAL	566	2392	2562	2569	2547	2513	2215	2099	1464	974
OTHER										
36. CONVERSION COSTS (\$000/160)	50	50	50	50	50	50	50	50	50	50
37. SUPERINTENDENT	159	68	73	73	72	71	63	60	41	28
38. TOTAL	161	118	123	123	122	121	113	110	91	78
39. TOTAL CONVERSION COSTS	565	22108	23679	23694	23497	23187	20413	19299	13776	9168
40. NET REVENUE	567	36250	38853	39335	39007	38482	34179	31926	19278	12229
EXCHANGE (\$C/\$US)	157	1.111	1.111	1.111	1.111	1.111	1.111	1.111	1.111	1.111
NET REVENUE (\$000 CAN)	5	40278	43170	43705	43340	42758	37977	35473	21420	14365

PRODUCTION AND GENERAL ADMINISTRATION COSTS
MINE LIFE FORECAST

PRODUCTION COSTS		1982	1983	1984	1985	1986	1987	1988	1989	1990
1. MINE AND MECH. DEPARTM	123	2920	2920	2920	2920	2920	2920	2920	2920	1600
4. COST/CU. YD. MOVED (\$)	126	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80
5. MILL DEPARTMENT	127	6279	6279	6279	6279	6279	6279	6279	7591	4172
6. COST/DST (\$)	128	5.98	5.98	5.98	5.98	5.98	5.98	5.98	7.23	7.23
7. ELECTRICAL DEPT.	129	3085	3085	3085	3085	3085	3085	3085	3085	1695
8. COAL DEPARTMENT	130	168	168	168	168	168	168	168	168	92
9. ENVIRONMENTAL CONTROL	131	100	100	100	100	100	100	100	100	100
10. SUBTOTAL	132	12552	12552	12552	12552	12552	12552	12552	13864	7659
11. TRANS. TO TIDEWATER	122	5180	5183	5196	5152	5084	4481	4093	3940	2165
12. SKAGWAY TERMINAL	133	526	526	526	526	526	526	526	526	300
13. TOTAL PRODUCTION COSTS	134	18258	18261	18274	18230	18162	17559	17171	18330	10124

GENERAL + ADMINISTRATIVE

14. PERSONNEL	135	0	0	0	0	0	0	0	0	0
15. SAFETY + SECURITY	136	0	0	0	0	0	0	0	0	0
16. PURCHASING	137	0	0	0	0	0	0	0	0	0
17. ACCOUNTING	138	0	0	0	0	0	0	0	0	0
18. ENGINEERING	139	0	0	0	0	0	0	0	0	0
19. TOWNSITE	140	0	0	0	0	0	0	0	0	0
20. GENERAL MANAGER + STAF	141	3450	3450	3450	3450	3450	3450	3450	3450	1900
21. VANCOUVER OFFICE	142	0	0	0	0	0	0	0	0	0
22. TOTAL GEN. + ADMIN.	143	3450	3450	3450	3450	3450	3450	3450	3450	1400

TRANSPORT TO TIDEWATER DETAILS

TRANS. TO TIDEWATER (SWT)										
23. LEAD - FCST AT 5. PCT	113	61011	61718	64194	63663	62779	56943	45090	36984	20323
24. ZINC	6.	80146	79495	77377	76725	75748	65160	66436	70379	38675
25. BULK	5.8	115	0	0	0	0	0	0	0	0
26. TOTAL	118	141157	141213	141571	140389	138527	122103	111525	107363	58998
27. COST RATE (\$/S.W.T.)	119	36.70	36.70	36.70	36.70	36.70	36.70	36.70	36.70	36.70
28. COSTS (\$000)	120	5180	5183	5196	5152	5084	4481	4093	3940	2165
29. LOADOUT MOVEMENT	121	0	0	0	0	0	0	0	0	0
30. TOTAL TRANS. TO TIDEWA	122	5180	5183	5196	5152	5084	4481	4093	3940	2165

PRODUCTION STATISTICS
MINE LIFE FORECAST

		1982	1983	1984	1985	1986	1987	1988	1989	1990
FEED GRADE (PERCENT)										
1. LEAD	1	3.45	3.49	3.63	3.60	3.55	3.22	3.03	2.90	2.90
2. ZINC	2	4.92	4.80	4.75	4.71	4.65	4.00	4.45	5.10	5.10
CUBIC YDS MOVED (000S)										
3. TOTAL	7	8.37	8.37	8.38	8.31	8.20	7.22	7.48	8.00	8.00
4. WASTE AND LOW GRADE	8	1322	1322	1322	1322	1322	1322	1322	1322	776
5. ORE	9	296	296	296	296	296	296	296	296	162
MILL FEED (000 LBS)										
6. TOTAL	10	1618	1618	1618	1618	1618	1618	1618	1618	888
7. TONS MILLED (000S)	11	1050	1050	1050	1050	1050	1050	1050	1050	577
METAL RECOVERED (000 LBS)										
8. LEAD	12	72450	73290	76230	75600	74550	67620	63630	60900	33466
9. ZINC	13	103320	102480	99750	98910	97650	84000	93450	107100	58854
RECOVERIES (PERCENT)										
10. LEAD - SELECT	18	57960	58632	60984	60480	59640	54096	43777	36540	20080
13. ZINC - SELECT	25	79556	78910	76807	76161	75190	64680	64948	68008	37372
CONCENTRATE GRADES (PERCENT)										
14. LEAD - SELECT	54	80.00	80.00	80.00	80.00	80.00	80.00	68.80	60.00	60.00
15. ZINC - SELECT	61	77.00	77.00	77.00	77.00	77.00	77.00	69.50	63.50	63.50
22. SELECT LEAD	66	50.00	50.00	50.00	50.00	50.00	50.00	51.10	52.00	52.00
23. SELECT ZINC	73	52.80	52.80	52.80	52.80	52.80	52.80	52.00	51.40	51.40
26. AG IN SEL. PB (OZ/DMT)	68	18.50	18.50	18.50	18.50	18.50	18.50	16.70	15.25	15.25
27. AU IN SEL. PB (OZ/DMT)	70	.21	.21	.21	.21	.21	.21	.19	.18	.18
28. FE IN SEL. ZN	75	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
CONCENTRATE PRODUCED (DST)										
30. LEAD	96	57960	58632	60984	60480	59640	54096	42835	35135	19307
31. ZINC	97	75337	74725	72734	72122	71203	61250	62450	66156	36354
CONCENTRATE PRODUCED (DMT)										
33. TOTAL DST	101	133297	133357	133718	132602	130843	115346	105285	101291	55662
34. LEAD	102	52581	53191	55324	54867	54105	49076	38860	31874	17515
35. ZINC	103	68346	67790	65984	65429	64595	55566	56654	60016	32980
CONCENTRATE PRODUCED (DMT)										
37. TOTAL DMT	107	120927	120981	121309	120296	118700	104641	95514	91890	50496

8,400
577

CASHFLOW REPORT

	39	1974	1980	1981	1982	1983	1984	1985	1986	1987	1988
1. SALES LESS CONVERSION	130	0.000	0.000	0.000	46.810	50.171	50.805	50.382	49.705	44.157	21.928
2. + LOAN DRAWDOWN	15	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
3. - LOAN REPAYMENTS	135	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
4. + BUYERS RECP. ADJUSTMENT	102	0.000	0.000	0.000	-5.000	0.000	0.000	0.000	0.000	0.000	0.000
5. + OPTIMIC CASH ON HAND	103	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5.000
6. CASH AVAILABLE	117	0.000	0.000	0.000	41.810	50.171	50.805	50.382	49.705	44.157	26.928
USE OF CASH											
7. PRODUCTION COSTS	104	0.000	0.000	0.000	18.258	18.261	18.274	18.230	18.162	17.559	7.524
8. GROUND ROYALTY	119	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
9. GENERAL AND ADMIN. COSTS	105	0.000	0.000	0.000	3.450	3.450	3.450	3.450	3.450	3.450	1.600
10. INTEREST - TERM DEBT	31	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
11. - HOUSING	222	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
12. PRINCIPAL HOUSING MORTGAGE	108	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
13. CAPITAL - ONGOING/HOUSING	291	0.000	2.000	6.468	.250	.250	.250	.250	.250	.250	0.000
14. - FACILITY	289	2.000	30.000	52.650	0.000	0.000	0.000	0.000	0.000	0.000	0.000
15. EXPLOITATION	207	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
16. DEVELOPMENT	225	0.000	0.000	1.691	0.000	0.000	0.000	0.000	0.000	0.000	0.000
17. TORRES SHARLS	110	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
18. YUKON ROYALTY	221	0.000	0.000	0.000	0.000	1.782	2.060	2.123	1.842	1.488	1.366
19. FED. INCOME TAX	99	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4.859	8.820	3.125
20. CIVILIAN	111	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
21. PREPARE EXPENSES	113	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
22. FLOAT ADJUSTMENT	257	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
23. TOTAL	114	3.000	32.000	60.809	21.958	23.742	24.034	24.053	28.563	31.567	13.615
24. CLOSING CASH ON HAND	115	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
25. CASH AVAIL. FOR DISTRIB.	116	-0.000	-32.000	-60.809	19.852	26.429	26.771	26.329	21.142	12.590	13.313
DISCOUNTED MCF											
26. 10 PERCENT	49	-2.727	-20.446	-45.687	13.559	16.410	15.112	13.511	9.863	5.339	5.133
27. 12 PERCENT	42	-2.679	-20.510	-43.283	12.616	14.997	13.563	11.910	8.539	4.540	4.286
28. 14 PERCENT	38	-2.632	-20.523	-41.044	11.754	13.726	12.197	10.522	7.411	3.872	3.591
CUMULATIVE NPV											
29. 10 PERCENT	321	-2.727	-29.174	-74.860	-61.301	-44.891	-29.779	-16.268	-6.405	-1.066	4.067
30. 12 PERCENT	324	-2.679	-28.189	-71.471	-58.855	-43.859	-30.295	-18.365	-9.846	-5.306	-1.020
31. 14 PERCENT	320	-2.632	-27.255	-68.299	-56.545	-42.819	-30.622	-20.100	-12.688	-8.817	-5.226
32. PRICES - LEAD (US C/LB) 418		0.000	0.000	0.000	45.000	45.000	45.000	45.000	45.000	45.000	45.000
33. ZINC (US C/LB) 419		0.000	0.000	0.000	50.000	50.000	50.000	50.000	50.000	50.000	50.000
34. SILVER (US 1/02420)		0.000	0.000	0.000	9.000	9.000	9.000	9.000	9.000	9.000	9.000
35. GOLD (US 1/07421)		0.000	0.000	0.000	300.000	300.000	300.000	300.000	300.000	300.000	300.000
36. CND. DOLLAR PER U.S. DOLLAR		0.000	0.000	0.000	1.111	1.111	1.111	1.111	1.111	1.111	1.111

SALES AND CONVERSION SUMMARY

	1982	1983	1984	1985	1986	1987	1988
CONCENTRATE SOLD (000 DMT)							
1. LEAD SELECT	212	49,581	53,191	55,324	54,867	54,105	49,076
2. ZINC SILLCT	213	63,346	67,740	65,984	65,429	64,595	27,393
PAYABLE METAL							
4. LEAD (000 LBS) - SELEC192	51520	55701	57934	57456	56658	51392	25688
7. ZINC (000 LBS) - SELEC194	62564	66954	65170	64622	63798	54880	27055
10. SILVER (000 OZS) - SELEC196	668	931	968	960	947	859	429
11. GOLD (000 OZS) - SELEC200	10	11	11	11	11	10	5
SALES (US\$000)							
16. LEAD - SELECT	180	23364	25065	26071	25855	25496	23126
19. ZINC - SELECT	182	31282	33477	32585	32311	31899	13527
22. SILVER - SELECT	184	7809	8378	8714	8642	8522	3864
25. GOLD - SELECT	188	2993	3211	3340	3312	3266	1481
28. GRAND TOTAL	211	65449	70131	70709	70120	69183	30432
CONVERSION COSTS (US\$000)							
TREATMENT CHARGES							
29. LEAD SELECT	495	8305	8909	9267	9190	9063	4109
30. ZINC SELECT	496	12505	13382	13025	12916	12751	5407
31. PULK	497	0	0	0	0	0	0
32. TOTAL	494	20810	22291	22292	22106	21814	9516
OCEAN FREIGHT							
33. BASL COSTS	563	2392	2562	2569	2547	2513	1099
34. INSURANCE	520	0	0	0	0	0	0
35. TOTAL	566	2392	2562	2569	2547	2513	1099
OTHER							
36. CONVERSION COSTS (000/160)	50	50	50	50	50	50	50
37. SUPERINTENDENT	159	68	73	73	72	71	31
38. TOTAL	161	118	123	123	122	121	81
39. TOTAL CONVERSION COSTS	565	23319	24976	24984	24775	24448	10697
40. NET REVENUE	567	42130	45155	45725	44344	44735	19735
EXCHANGE (100/408)	157	1,111	1,111	1,111	1,111	1,111	1,111
NET REVENUE (\$000 CAN)	5	46810	50171	50805	50382	49705	21928

PRODUCTION AND GENERAL ADMINISTRATION COSTS
 (LINE LIFE FORECAST)

	1982	1983	1984	1985	1986	1987	1988
PRODUCTION COSTS							
1. MINE AND MECH. DEPARTMENT 123	2920	2920	2920	2920	2920	2920	1090
4. COST/CO. YD. MOVED (4) 126	1.80	1.80	1.80	1.80	1.80	1.80	1.80
5. MILL DEPARTMENT 127	6279	6275	6279	6279	6279	6275	2780
6. COST/DST (4) 128	5.98	5.98	5.98	5.98	5.98	5.98	5.98
7. ELECTRICAL DEPT. 129	3085	3085	3085	3095	3085	3085	1366
8. COAL DEPARTMENT 130	168	168	168	168	168	168	75
9. ENVIRONMENTAL CONTROL 131	100	100	100	100	100	100	100
10. SUBTOTAL 132	12552	12552	12552	12552	12552	12552	5411
11. TRANS. TO TIDEWATER 122	5180	5183	5196	5152	5084	4481	1881
12. SKACWAY TERMINAL 133	526	526	526	526	526	526	232
13. TOTAL PRODUCTION COSTS 134	18258	18261	18274	18230	18162	17559	7524

GENERAL + ADMINISTRATIVE

14. PERSONNEL 135	0	0	0	0	0	0	0
15. SAFETY + SECURITY 136	0	0	0	0	0	0	0
16. PURCHASING 137	0	0	0	0	0	0	0
17. ACCOUNTING 138	0	0	0	0	0	0	0
18. ENGINEERING 139	0	0	0	0	0	0	0
19. TOWNSHIP 140	0	0	0	0	0	0	0
20. GENERAL MANAGER + STAFF 141	3450	3450	3450	3450	3450	3450	1600
21. VANCOUVER OFFICE 142	0	0	0	0	0	0	0
22. TOTAL GEN. + ADMIN. 143	3450	3450	3450	3450	3450	3450	1600

TRANSPORT TO TIDEWATER DETAILS

TRANS. TO TIDEWATER (SWT)

23. LEAD - COST AT S. PCT 113	61011	61718	64194	63663	62779	56943	24983
24. ZINC S. P. 114	80146	79495	77377	76725	75748	65160	26259
25. BULK S. P. 115	0	0	0	0	0	0	0
26. TOTAL 118	141157	141213	141571	140389	138527	122103	51242
27. COST RATE (1975.W.T.) 119	36.70	36.70	36.70	36.70	36.70	36.70	36.70
28. COSTS (4000) 120	5180	5183	5196	5152	5084	4481	1881
29. LOADOUT MOVEMENT 121	0	0	0	0	0	0	0
30. TOTAL TRANS. TO TIDEWATER 122	5180	5183	5196	5152	5084	4481	1881

PRODUCTION STATISTICS
MINE LIFE FORECAST

		1982	1983	1984	1985	1986	1987	1988
FIELD GRADE (PERCENT)								
1. LEAD	1	3.45	3.49	3.63	3.60	3.55	3.22	3.19
2. ZINC	2	4.92	4.88	4.75	4.71	4.65	4.00	3.64

3. TOTAL	7	8.37	8.37	8.38	8.31	8.20	7.22	6.83
CUBIC YDS MGVED (000S)								
4. WASTE AND LOW GRADE	8	1322	1322	1322	1322	1322	1322	475
5. PRE	9	296	296	296	296	296	296	131

6. TOTAL	10	1618	1618	1618	1618	1618	1618	606
7. TONS MILLED (000S)	11	1050	1050	1050	1050	1050	1050	465
=====								
MILL FEED (000 LBS)								
8. LEAD	12	72450	73290	76230	75600	74550	67620	29667
9. ZINC	13	103320	102480	99750	98910	97650	84000	33852
METAL RECOVERED (000 LBS)								
10. LEAD - SELECT	18	57960	58632	60984	60480	59640	54096	23734
15. ZINC - SELECT	25	79556	78910	76807	76161	75190	64680	26066
RECOVERIES (PERCENT)								
16. LEAD - SELECT	54	80.00	80.00	80.00	80.00	80.00	80.00	80.00
19. ZINC - SELECT	61	77.00	77.00	77.00	77.00	77.00	77.00	77.00
CONCENTRATE GRADES (PERCENT)								
22. SELECT LEAD	66	50.00	50.00	50.00	50.00	50.00	50.00	50.00
23. SELECT ZINC	73	52.80	52.80	52.80	52.80	52.80	52.80	52.80
26. AG IN SEL. PB (02/DMT)	68	18.50	18.50	18.50	18.50	18.50	18.50	18.50
AD IN SEL. PB (02/DMT)	70	.21	.21	.21	.21	.21	.21	.21
28. FE IN SEL. ZN	75	11.00	11.00	11.00	11.00	11.00	11.00	11.00
CONCENTRATE PRODUCED (DST)								
30. LEAD	96	57960	58632	60984	60480	59640	54096	23734
31. ZINC	97	75337	74725	72734	72122	71203	61250	24684

33. TOTAL DST	101	133297	133357	133718	132602	130843	115346	48417
CONCENTRATE PRODUCED (DMT)								
34. LEAD	102	52581	53191	55324	54867	54105	49076	21531
35. ZINC	103	68346	67790	65984	65429	64595	55566	22393

37. TOTAL DMT	107	120927	120981	121309	120296	118700	104641	43924
=====								

CASHFLOW REPORT

	39	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
1. SALES LESS CONVERSION	130	0.000	0.000	0.000	46.810	50.171	50.805	50.382	49.705	44.157	41.284
2. + LOAN DRAWDOWN	15	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
3. - LOAN REPAYMENTS	135	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
4. + BUYERS RECD. ADJUSTMEN	102	0.000	0.000	0.000	-5.000	0.000	0.000	0.000	0.000	0.000	0.000
5. + OPENING CASH ON HAND	103	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
6. CASH AVAILABLE	117	0.000	0.000	0.000	41.810	50.171	50.805	50.382	49.705	44.157	41.284
USE OF CASH											
7. PRODUCTION COSTS	104	0.000	0.000	0.000	18.258	18.261	18.274	18.230	18.162	17.559	17.171
8. ORE BODY ROYALTY	119	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
9. GENERAL AND ADMN. COSTS	105	0.000	0.000	0.000	3.450	3.450	3.450	3.450	3.450	3.450	3.450
10. INTEREST - TERM DEBT	31	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
11. - HOUSING	222	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
12. PRINCIPAL HOUSING MORTG	108	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
13. CAPITAL - ONGOING/HOUSIN	391	0.000	2.000	6.468	.250	.250	.250	.250	.250	.250	.250
14. - FACILITY	389	2.000	30.000	52.650	0.000	0.000	0.000	0.000	0.000	0.000	0.000
15. EXPLORATION	207	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
16. DEVELOPMENT	225	0.000	0.000	1.691	0.000	0.000	0.000	0.000	0.000	0.000	0.000
17. TORRENS SHARES	110	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
18. YUKON ROYALTY	221	0.000	0.000	0.000	0.000	1.782	2.060	2.123	1.844	1.490	1.035
19. FED. INCOME TAX	99	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4.809	8.796	5.103
20. DIVIDENDS	111	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
21. PREPAID EXPENSES	113	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
22. FLOAT ADJUSTMENT	257	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
23. TOTAL	114	3.000	32.000	60.809	21.958	23.742	24.034	24.053	28.515	31.545	27.010
24. CLOSING CASH ON HAND	115	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
25. CASH AVAIL. FOR DISTRIB.	116	-3.000	-32.000	-60.809	19.852	26.429	26.771	26.329	21.190	12.617	14.274
DISCOUNTED NCF											
26. 10 PERCENT	49	-2.727	-26.446	-45.687	13.559	16.410	15.112	13.511	9.885	5.349	5.503
27. 12 PERCENT	42	-2.679	-25.510	-43.283	12.616	14.997	13.563	11.910	8.558	4.548	4.596
28. 14 PERCENT	38	-2.632	-24.623	-41.044	11.754	13.726	12.197	10.522	7.428	3.878	3.650
CUMULATIVE NPV											
29. 10 PERCENT	321	-2.727	-29.174	-74.860	-61.301	-44.891	-29.779	-16.268	-6.383	-1.034	4.469
30. 12 PERCENT	324	-2.679	-28.189	-71.471	-58.855	-43.859	-30.295	-18.385	-9.827	-5.270	-0.663
31. 14 PERCENT	320	-2.632	-27.255	-68.299	-56.545	-42.819	-30.622	-20.100	-12.671	-8.793	-4.243
32. PRICES - LEAD (US C/LB)	418	0.000	0.000	0.000	45.000	45.000	45.000	45.000	45.000	45.000	45.000
33. ZINC (US C/LB)	419	0.000	0.000	0.000	50.000	50.000	50.000	50.000	50.000	50.000	50.000
34. SILVER (US \$/OZ420)		0.000	0.000	0.000	9.000	9.000	9.000	9.000	9.000	9.000	9.000
35. GOLD (US \$/OZ421)		0.000	0.000	0.000	300.000	300.000	300.000	300.000	300.000	300.000	300.000
36. CAN. DOLLAR PER U.S. DOL	422	0.000	0.000	0.000	1.111	1.111	1.111	1.111	1.111	1.111	1.111

CASHFLOW REPORT

39 1989 1990

1. SALES LESS CONVERSION	130	24.876	16.690
2. + LOAN DRAWDOWN	15	0.000	0.000
3. - LOAN REPAYMENTS	135	0.000	0.000
4. + BUYERS RECD. ADJUSTMEN	102	0.000	5.000
5. + OPENING CASH ON HAND	103	0.000	0.000
6. CASH AVAILABLE	117	24.876	21.690

USE OF CASH

7. PRODUCTION COSTS	104	18.330	10.124
8. ORE BODY ROYALTY	119	0.000	0.000
9. GENERAL AND ADMN. COSTS	105	3.450	1.900
10. INTEREST - TERM DEBT	31	0.000	0.000
11. - HOUSING	222	0.000	0.000
12. PRINCIPAL HOUSING MORTGA	108	0.000	0.000
13. CAPITAL - ONGOING/HOUSIN	391	.250	.250
14. - FACILITY	389	0.000	0.000
15. EXPLORATION	207	0.000	0.000
16. DEVELOPMENT	225	0.000	0.000
17. TORRENS SHARES	110	0.000	0.000
18. YUKON ROYALTY	221	.686	.739
19. FED. INCOME TAX	99	3.024	1.507
20. DIVIDENDS	111	0.000	0.000
21. PREPAID EXPENSES	113	0.000	0.000
22. FLOAT ADJUSTMENT	257	0.000	0.000
23. TOTAL	114	25.740	14.521
24. CLOSING CASH ON HAND	115	0.000	0.000

25. CASH AVAIL. FOR DISTRIB.	116	-.864	7.169
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DISCOUNTED NCF

26. 10 PERCENT	49	-.303	2.284
27. 12 PERCENT	42	-.248	1.840
28. 14 PERCENT	38	-.204	1.488
CUMULATIVE NPV			
29. 10 PERCENT	321	4.167	6.451
30. 12 PERCENT	324	-.932	.909
31. 14 PERCENT	320	-5.147	-3.659

32. PRICES - LEAD (US C/LB)	418	45.000	45.000
33. ZINC (US C/LB)	419	50.000	50.000
34. SILVER (US \$/OZ)	420	9.000	9.000
35. GOLD (US \$/OZ)	421	300.000	300.000
36. CND. DOLLAR PER U.S. DOL	422	1.111	1.111

SALES AND CONVERSION SUMMARY

	1982	1983	1984	1985	1986	1987	1988	1989	1990	
CONCENTRATE SOLD (000 DMT)										
1. LEAD SELECT	212	49.581	53.191	55.324	54.867	54.105	49.076	48.618	20.462	14.245
2. ZINC SELECT	213	63.346	67.790	65.984	65.429	64.595	55.566	50.565	48.580	31.696
PAYABLE METAL										
4. LEAD (000 LBS) - SELEC192	51920	55701	57934	57456	56658	51392	52032	22285	15514	
7. ZINC (000 LBS) - SELEC194	62564	66954	65170	64622	63798	54880	49049	46481	30327	
10. SILVER (000 OZS) - SELEC196	868	931	968	960	947	859	763	292	203	
13. GOLD (000 OZS) - SELEC200	10	11	11	11	11	10	9	4	2	
SALES (US\$000)										
16. LEAD - SELECT	180	23364	25065	26071	25855	25496	23126	23414	10028	6981
19. ZINC - SELECT	182	31282	33477	32585	32311	31699	27440	24525	23241	15163
22. SILVER - SELECT	184	7809	8378	8714	8642	8522	7729	6870	2624	1827
25. GOLD - SELECT	188	2993	3211	3340	3312	3266	2963	2681	1069	744
28. GRAND TOTAL	211	65449	70131	70709	70120	69183	61259	57490	36962	24716
CONVERSION COSTS (US\$000)										
TREATMENT CHARGES										
29. LEAD SELECT	495	8305	8909	9267	9190	9063	8220	8144	3427	2386
30. ZINC SELECT	496	12505	13382	13025	12916	12751	10969	9982	9590	6257
31. PULK	497	0	0	0	0	0	0	0	0	0
32. TOTAL	494	20810	22291	22292	22106	21814	19189	18125	13017	8643
OCEAN FREIGHT										
33. BASE COSTS	563	2392	2562	2569	2547	2513	2215	2099	1464	974
34. INSURANCE	520	0	0	0	0	0	0	0	0	0
35. TOTAL	566	2392	2562	2569	2547	2513	2215	2099	1464	974
OTHER										
36. CONVERSION COSTS (\$000/160)	50	50	50	50	50	50	50	50	50	50
37. SUPERINTENDENT	159	68	73	73	72	71	63	60	41	28
38. TOTAL	161	118	123	123	122	121	113	110	91	78
39. TOTAL CONVERSION COSTS	565	23319	24976	24984	24775	24448	21517	20334	14573	9095
40. NET REVENUE	567	42130	45155	45725	45344	44735	39741	37156	22389	15021
EXCHANGE (\$C/\$US)	157	1.111	1.111	1.111	1.111	1.111	1.111	1.111	1.111	1.111
NET REVENUE (\$000 CAN)	5	46810	50171	50805	50382	49705	44157	41284	24876	16690

PRODUCTION AND GENERAL ADMINISTRATION COSTS
MINE LIFE FORECAST

	1982	1983	1984	1985	1986	1987	1988	1989	1990
PRODUCTION COSTS									
1. MINE AND MECH. DEPARTM123	2920	2920	2920	2920	2920	2920	2920	2920	1600
4. COST/CU. YD. MOVED (1)124	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80
5. MILL DEPARTMENT 127	6279	6279	6279	6279	6279	6279	6279	7591	4172
6. COST/DST (1) 128	5.98	5.98	5.98	5.98	5.98	5.98	5.98	7.23	7.23
7. ELECTRICAL DEPT. 129	3085	3085	3085	3085	3085	3085	3085	3085	1695
8. COAL DEPARTMENT 130	168	168	168	168	168	168	168	168	92
9. ENVIRONMENTAL CONTROL 131	100	100	100	100	100	100	100	100	100
10. SUBTOTAL 132	12552	12552	12552	12552	12552	12552	12552	13864	7659
11. TRANS. TO TIDEWATER 122	5180	5183	5196	5152	5084	4481	4093	3940	2165
12. SKAGWAY TERMINAL 133	526	526	526	526	526	526	526	526	300
13. TOTAL PRODUCTION COSTS134	18258	18261	18274	18230	18162	17559	17171	18330	10124

GENERAL + ADMINISTRATIVE

14. PERSONNEL 135	0	0	0	0	0	0	0	0	0
15. SAFETY + SECURITY 136	0	0	0	0	0	0	0	0	0
16. PURCHASING 137	0	0	0	0	0	0	0	0	0
17. ACCOUNTING 138	0	0	0	0	0	0	0	0	0
18. ENGINEERING 139	0	0	0	0	0	0	0	0	0
19. TOWNSITE 140	0	0	0	0	0	0	0	0	0
20. GENERAL MANAGER + STAF141	3450	3450	3450	3450	3450	3450	3450	3450	1900
21. VANCOUVER OFFICE 142	0	0	0	0	0	0	0	0	0
22. TOTAL GEN. + ADMIN. 143	3450	3450	3450	3450	3450	3450	3450	3450	1900

TRANSPORT TO TIDEWATER DETAILS

TRANS. TO TIDEWATER (SWT)									
23. LEAD - FCST AT 5. PCT113	61011	61718	64194	63663	62779	56943	45090	36984	20323
24. ZINC 6. 114	80146	79495	77377	76725	75748	65160	66436	70379	38675
25. BULK 5.8 115	0	0	0	0	0	0	0	0	0
26. TOTAL 118	141157	141213	141571	140389	138527	122103	111525	107363	58998
27. COST RATE (\$/S.W.T.) 119	36.70	36.70	36.70	36.70	36.70	36.70	36.70	36.70	36.70
28. COSTS (1000) 120	5180	5183	5196	5152	5084	4481	4093	3940	2165
29. LOADOUT MOVEMENT 121	0	0	0	0	0	0	0	0	0
30. TOTAL TRANS. TO TIDEWA122	5180	5183	5196	5152	5084	4481	4093	3940	2165

PRODUCTION STATISTICS
MINE LIFE FORECAST

		1982	1983	1984	1985	1986	1987	1988	1989	1990
FEED GRADE (PERCENT)										
1. LEAD	1	3.45	3.49	3.63	3.60	3.55	3.22	3.03	2.90	2.90
2. ZINC	2	4.92	4.88	4.75	4.71	4.65	4.00	4.45	5.10	5.10

3. TOTAL	7	8.37	8.37	8.38	8.31	8.20	7.22	7.48	8.00	8.00
CURIC YDS MOVED (000S)										
4. WASTE AND LOW GRADE	8	1322	1322	1322	1322	1322	1322	1322	1322	726
5. ORE	9	296	296	296	296	296	296	296	296	162

6. TOTAL	10	1618	1618	1618	1618	1618	1618	1618	1618	888
7. TONS MILLED (000S)	11	1050	1050	1050	1050	1050	1050	1050	1050	577
=====										
MILL FEED (000 LBS)										
8. LEAD	12	72450	73290	76230	75600	74550	67620	63630	60900	33466
9. ZINC	13	103320	102480	99750	98910	97650	84000	93450	107100	58454
METAL RECOVERED (000 LBS)										
10. LEAD - SELECT	18	57960	58632	60984	60480	59640	54096	43777	36540	20080
13. ZINC - SELECT	25	79556	78910	76807	76161	75190	64680	64948	68008	37372
RECOVERIES (PERCENT)										
16. LEAD - SFLECT	54	80.00	80.00	80.00	80.00	80.00	80.00	68.80	60.00	60.00
19. ZINC - SELECT	61	77.00	77.00	77.00	77.00	77.00	77.00	69.50	63.50	63.50
CONCENTRATE GRADES (PERCENT)										
22. SELECT LEAD	66	50.00	50.00	50.00	50.00	50.00	50.00	51.10	52.00	52.00
23. SELECT ZINC	73	52.80	52.80	52.80	52.80	52.80	52.80	52.00	51.40	51.40
26. AG IN SEL. PB (OZ/DMT)	68	18.50	18.50	18.50	18.50	18.50	18.50	16.70	15.25	15.25
AU IN SEL. PB (OZ/DMT)	70	.21	.21	.21	.21	.21	.21	.19	.18	.18
28. FE IN SEL. ZN	75	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
CONCENTRATE PRODUCED (DST)										
30. LEAD	96	57960	58632	60984	60480	59640	54096	42835	35135	19307
31. ZINC	97	75337	74725	72734	72122	71203	61250	62450	66156	36354

33. TOTAL DST	101	133297	133357	133718	132602	130843	115346	105285	101291	55662
CONCENTRATE PRODUCED (DMT)										
34. LEAD	102	52581	53191	55324	54867	54105	49076	38860	31874	17515
35. ZINC	103	68346	67790	65984	65429	64595	55566	56654	60016	32980

37. TOTAL DMT	107	120927	120981	121309	120296	118700	104641	95514	91890	50496
=====										