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CYPRUS ANVIL MINING CORPORATION

VANCOUVER

BRITISH COLUMBIA

VANGORDA MINES LTD.

PROPERTY EVALUATION

PROJECT 1129-100

MARCH 1982



WRIGHT ENGINEERS LIMITED

VANCOUVER

CANADA

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WRIGHT ENGINEERS LIMITED

VANCOUVER

CANADA

TRANSMITTAL
LETTER



1444 Alberni Street, Vancouver, British Columbia, Canada, V6G 2Z4

March 19, 1982

Project No. 1129-100

Cyprus Anvil Mining Corporation,
300-355 Burrard Street,
Vancouver, B.C.

Attention: Mr. R.E. Gordon Davis
Executive Vice-President

Dear Sir:

RE: VANGORDA MINING EVALUATION

We are pleased to submit herewith our revised report on the "Vangorda Mines Limited's Property Evaluation". The significant changes from our original report of September 1981, are as follows:

1. 5, 10 and 20 year trend metal prices have been utilized.
2. transportation costs were increased, and operating costs were lowered by about 10% as a result of an original error in conversion from short tons to metric tons.

We trust that you will find this report in accordance with the criteria set out in the Whitehorse Copper opinion and that it will meet your requirements.

Yours very truly,

WRIGHT ENGINEERS LIMITED

W.F. Gilmore, P.Eng.

WFG/sd

Ross Glanville, P.Eng., MBA, CGA

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SECTION 1

SECTION I

SUMMARY AND CONCLUSIONS

SECTION 1
SUMMARY AND CONCLUSIONS

This report presents an evaluation of the properties of Vangorda Mines Limited, including the Vangorda deposit and the extensions of Grum and Champ deposits.

Establishment of the net present value of the properties was made by a financial analysis computer program incorporating projected production statistics, cashflow, discounted net worth and rate of return.

The basis for these analyses was provided from new geological interpretation, pit design and reserve calculations, as well as capital and operating cost estimates, using only information available prior to the pricing date, that is June 8, 1979.

The undiluted mineable reserves of Vangorda were calculated to be 7,494,000 metric tonnes grading 3.35% Pb, 5.35% Zn. The precious metals were estimated to be 28.0 ozs. Ag and 0.15 ozs. Au per ton of lead concentrate.

A free standing project was assumed, including an open pit mining operation supplying 2,700 tonnes per day (3,000 short tons) to a concentrator operating 350 days per year for 8.7 years.

Capital costs were developed by WEL's Quick Capital Cost computer program. The results were found to be almost identical to those estimated by Kilborn Engineering (B.C.) Ltd., in July, 1979.

Operating costs were established statistically from CAMC's actual operating costs at Faro. Assuming other conditions equal, lower capacity operations tend to have higher operating costs per tonne. Consequently, the operating costs at Vangorda are expected to be higher than at Faro with a daily milling capacity of 9,070 tonnes, that is more than three times the designed capacity at Vangorda.



The metal price forecasts were established on the basis of 5, 10, and 20 year average prices of lead, zinc, and silver, and a 5 year average price for gold. All prices were adjusted to mid 1979 U.S. dollars to account for inflation.

The financial analyses gave the following results:

<u>Discount</u> <u>(%)</u>	<u>Net Worth \$</u>	
	<u>31¢ lead/36¢ zinc</u>	<u>34¢ lead/38¢ zinc</u>
14	(67,265,000)	(58,175,000)
16	(66,523,000)	(58,322,000)
18	(65,681,000)	(58,256,000)

According to these analyses, the free standing project of the Vangorda has a negative net present value and a negative rate of return. This implies that the reserves are insufficient to pay back the capital invested.

At the time of the pricing date, June 8, 1979, the Vangorda property appeared to have no present value. Fair market value for a property could be established by what a buyer is willing to pay for it. It is unlikely there would be any other buyer for Vangorda other than CAMC, and they have negotiated with Kerr Addison what they consider a fair price for Vangorda. Vangorda may be of some value to CAMC because they are already established in the area. Since it is not viable independently, it cannot have any value to an organization that is not established in the area.



It would seem the only single factor which would make Vangorda a viable independent operation would be a dramatic increase in the price of metals. Other factors such as initial capital, operating costs, or grades and recoveries are not likely to change sufficiently to make the operation viable and produce an acceptable return. If a dramatic change did occur in metal prices, say 10 years in the future, the impact in the present evaluation would be minimized due to discounting of future profits.



SECTION 2

SECTION 2

INTRODUCTION

SECTION 2
INTRODUCTION

CYPRUS ANVIL MINING CORPORATION (CAMC) has retained the services of **WRIGHT ENGINEERS LIMITED (WEL)** to prepare an estimate of the "fair value" for the properties of Vangorda Mines Ltd. as of the pricing date, independently of other estimates and in accordance with the Canadian Business Corporations Act and the Whitehorse Copper opinion.

Subsequently to the acquisition of the Vangorda properties, certain persons of the minority shareholders, namely G. Dickson, E.O. Chisholm, W.S. Hare, A. Kulan, H.K. Law and M. Camsell have sued CAMC for more money and retained the services of H.F. Ditchburn and Associates Ltd. (DAL) to support their case. DAL's draft report has stated that CAMC "has provided H.F. Ditchburn with all the necessary data from existing operations and the cooperation of all CAMC's personnel at operations and in Vancouver is gratefully acknowledged".

WEL has been provided with the same data. WEL personnel reviewed the core samples at the site; carried out a reinterpretation of the drilling results, a design of a new open pit, and a calculation of the mineable reserves; and calculated the trend of metal prices and exchange rate.



SECTION 3

SECTION 3

BRIEF HISTORY OF THE VANGORDA MINES LTD. PROPERTIES

SECTION 3BRIEF HISTORY OF THE VANGORDA MINES LTD. PROPERTIES

- July 2, 1953 Alan Kulan of Whitehorse, Y.T., discovered a surface showing of lead and zinc minerals exposed along the Vangorda Creek.
- 1953 A syndicate, formed by Kulan and others, staked 48 claims in the immediate area of the discovery.
- 1953 The syndicate entered into an option agreement with Prospectors Airways Co. Ltd. (with E.O. Chisholm, Chief Geologist) controlled by Kerr Addison Gold Mines Ltd. (controlled in turn by Noranda Mines Ltd.).
- 1953 Prospectors staked 238 additional claims.
- September 10, 1953 Prospectors started diamond drilling program.
- 1953 Prospectors started geophysical exploration, including self-potential, magnetometer and gravimetric surveys, as well as auxiliary aeromagnetic and geochemical methods.
- September 11, 1955 E.O. Chisholm presented a paper at the Sixth Commonwealth Mining Congress describing the above exploration methods and concluding that:
- "The results coincided so well that further drilling to extend the margins of the deposit was considered unnecessary. The excess mass calculation agreed so closely with tonnage figures arrived at by drilling that it was decided also that further deep holes to explore the possibility of underlying zones were unnecessary".

The reserves were estimated by Chisholm as follows:



9.4 million short tons containing 3.16% Pb, 4.96% Zn, 0.27% Cu, 1.76 ozs/ton Ag and 0.02 ozs/ton Au; Low grade to barren sulphides: 12.6 million short tons (using 4.0 specific gravity).

December 31, 1960 Vangorda Mines Ltd. was formed to hold 52 claims. Authorized capital was 5 million shares at \$1.00 par value. No. of shares issued: 1,508,875 shares.

September, 1963 G.H. Montgomery of Vangorda Mines prepared the following estimates:

Operating Costs	-Mining	\$1.20
	-Milling	1.50
	-General	<u>.55</u>
	Total	\$3.25

Value of ore F.O.B. Mine \$5.04

Estimated operating profit \$1.79

9,400,000 x \$1.79 = \$16,826,000

	<u>Lead Conc.</u>	<u>Zinc Conc.</u>
Lead %	55	3
Zinc %	7	50
Copper %	2.6	0.7
Gold oz/t	0.26	0.06
Silver oz/t	19.3	2.5

November 5, 1963 Kerr Addison Mines Ltd. was formed by the amalgamation of:

- Kerr Addison Gold Mines Ltd.
- Prospectors Airways Co. Ltd.
- Anglo-Huronian Ltd., and
- Bouzan Mines Ltd.

Kerr Addison ended up holding 66.66% interest in Vangorda Mines Ltd.



February, 1964

C.K. Wilton of Vangorda Mines prepared new estimates:

	<u>Current</u>	<u>Long Term</u>
Value of ore F.O.B. Mine	\$ 7.36	\$ 5.57
Estimated operating cost	<u>3.25</u>	<u>3.25</u>
Estimated operating profit	\$ 4.11	\$ 2.32
9,400,000 x 4.11 =	\$38,600,000	
9,400,000 x 2.32 =	\$21,800,000	

April 22, 1964

W.S. Row, President of Kerr Addison and of Vangorda Mines, retained General Engineering Co. Ltd. (GECO) of Toronto, to carry out preliminary mining and cost studies.

June, 1964

Internal memorandum issued at Kerr Addison with the following contents:

General Summary:

1. Approximately 6,200,000 tons of diluted ore in open pit.
2. On the basis of initial metallurgical tests, the orebody is submarginal and would not itself support a profitable mining operation.
3. It would be profitable if:
 - Mitsui would pay same as for split concentrates, or,
 - Pb and Zn recoveries would be above 80-85%.

Recommendation:

1. Suspend further analysis by GECO.



2. Explore Swim Lake prospect with potential effect on the worth of Vangorda.
3. Review possibility of further tests.
4. Ask order of magnitude smelter charges and payments from Mitsui.

July 2, 1964

GECO completed report with the following results:

Probable open pit reserves 5,640,000 st (undiluted)
6,200,000 st (10% dilution)

	<u>Undiluted</u>	<u>Diluted</u>	<u>Grade</u>	<u>Recovery</u>
Pb	3.256%	2.963%	19%	80%
Zn	5.344%	4.863%	33%	85%
Cu	0.277%	0.252%	1.4%	70%
Ag	1.773oz	1.613oz	7oz	70%
Au	0.026oz	0.024oz	0.09oz	60%

Specific gravity used: 3.6 at 4.0% cut-off grade (combined Pb and Zn grades).

July, 1970

Kerr Addison prepared the following reserve estimates:

Open Pit: 3,400,000 tons ore, 4,100,000 tons waste
Underground: 3,200,000 tons ore

August 10, 1973

A syndicate optioned all claims of Vangorda Mines Ltd. outside the Vangorda deposit. By spending \$225,000 in 3 years, the syndicate could earn 40% interest, Vangorda Mines retaining 60%. Canadian Natural Resources (formerly AEX Minerals Corp.) succeeded this syndicate.



September 30, 1976 Canadian Mine Services Ltd. submitted report on open pit mining of the Grum Deposit (which was explored by Kerr Addison as major partner in the Grum Joint Venture), with the following estimates:

Operating Costs	- Mining	\$ 4.98
	- Milling	5.00
	- Overhead	<u>1.46</u>
	Total	<u>\$11.46</u>

April 7, 1977 J. Paxton of Kerr Addison, estimated 7,664,000 tons of reserves with 8.67% combined grade of lead and zinc in the Vangorda deposit.

November, 1978 Cyprus Anvil negotiated with Kerr Addison the potential acquisition of all mineral property interests in the Anvil District, including the shares of Kerr Addison's subsidiary, Vangorda Mines Ltd., with the respective prices.

December, 1978 Cyprus Anvil prepared an "Anvil District Acquisition Program" report on the properties adopting, with reservations, Prospector's geological interpretations and estimates for Vangorda:

8,528,000 metric tons, 8.12% combined Pb and Zn, plus 55 grams/metric ton of Ag.

May 15, 1979 Actual date of transaction, including \$18.5 million cash payment for the properties, in addition to regular payments of 5% of net profits after development, and \$3.0 million for the shares of Vangorda Mines, that is \$1.50 per share outstanding on December 31, 1978.





SECTION 4

SECTION 4

CLAIM LIST

SECTION 4**CLAIM LIST**

The 100% Vangorda Mines Ltd. (Group 1) claims in the agreement (Assignment of Interest in Yukon Quartz Mining Leases) between Vangorda Mines Ltd. and CAMC are as follows:

<u>Mineral Claim</u>	<u>Lease No.</u>	<u>File No.</u>	<u>Lot No.</u>
Ellemay 1	1404	66680	58
Ellemay 2	1405	66681	52
Rocky 2	1222	66673	51
Rocky 4	1238	66675	50
Rocky 6	1402	66677	48
Wynne 1	1223	66684	53
Wynne 2	1407	66685	57
Wynne 3	1224	66686	54
Wynne 4	1408	66687	56
Wynne 5	1409	66688	55
Hank 1 Fr	2124	77898	60

The claims in which Vangorda Mines Ltd. had a 60% interest (Group 2), as specified in the sale agreement between Canadian Natural Resources Ltd. and CAMC, are as follows:

<u>Mineral Claim</u>	<u>File No.</u>	<u>Mineral Claim</u>	<u>File No.</u>
Rocky 3, 5, 7, 8	66674, 6, 8, 9	Sally 1 to 4	66696 to 9
Bix 2, 3	70440, 1	Wynne 6 to 8	66689 to 66691
Champ 1 to 8	66700 to 7	Alice 1 to 8	66691 to 9
Ellemay 3, 4	66682, 3	Rocky 1	66672
Hank Frs 2, 3	77899, 77900	Jack 1 to 5	66664 to 8
		Hiw Frs 1 to 4	Y98405 to 8

The claims in Group 1 cover the Vangorda deposit, while those in Group 2 cover certain extensions of the Grum and Champ deposits.



SECTION 5

SECTION 5

ASSUMPTIONS AND CRITERIA

SECTION 5
ASSUMPTIONS AND CRITERIA

5.1 PRICING DATE

In accordance with the precedent setting Whitehorse Copper opinion, the pricing date is the last day on which the dissenters could elect to have the court determine "fair value". Notwithstanding that the price of \$1.50 per share was settled with Kerr Addison in November, 1978, the pricing date is June 8th, 1979. By the same token, however, no information, data or hindsight developed after that date can be used in determining a fair value.

5.2 PROJECT SIZE AND DEVELOPMENT

The reserves of the Vangorda deposit are to be considered free standing, that is supporting all mining, concentration and transport operations at a suitable production rate. That rate is set at milling 2,700 metric tonnes of ore per day, 350 days per year, for a total of 945,000 tonnes per year, using 200 employees. The production is scheduled to start in September, 1981, and to reach full capacity by January 1, 1982.



SECTION 6

SECTION 6

ORE RESERVES

SECTION 6
ORE RESERVES

6.1 VANGORDA

The mineable reserves of the Vangorda deposit have been calculated within the limits of an open pit mine, laid out on the basis of vertical geological cross sections. These sections were prepared by the interpretation of drill hole data existing prior to the acquisition of the Vangorda properties by CAMC. The interpretation was made independently from all other interpretations made to date, but upon familiarization with the known mineralizations of the Faro and Grum deposits.

The open pit was designed with 45° slopes in hard rock and 35° slopes in the overburden, with 8% haulage road and with 10 m high benches.

The ore and waste materials within this pit were calculated as follows:

High grade ore:	3,665,000 tonnes	4.38% Pb	7.26% Zn
Medium grade ore:	<u>3,829,000</u> tonnes	<u>2.36%</u> Pb	<u>3.52%</u> Zn
Total ore - undiluted	<u>7,494,000</u> tonnes	<u>3.35%</u> Pb	<u>5.35%</u> Zn
- diluted (10%)	<u>8,243,000</u> tonnes	<u>3.05%</u> Pb	<u>4.88%</u> Zn
Overburden:	5,609,000 m ³		
Waste:	13,286,000 m ³		
Low grade material:	<u>1,616,000</u> m ³	<u>0.83%</u> Pb	<u>1.24%</u> Zn
Total waste	<u>20,511,000</u> m ³	less 208,000 m ³ in dilution	
Overall stripping ratio:	2.5 m ³ /tonne		
Specific gravity of ores:	3.6		

Due to the proximity of the orebody to the surface, the determination of the pit limits was relatively simple. Only small volume mineralized zones which are too scattered to be considered mineable by underground methods can be found below these pit limits.



In the above categories, high grade ore is greater than 8% combined lead and zinc, medium grade is between 4% and 8%, and low grade material is under 4% combined lead and zinc.

Due to the sparsity of silver and gold assays in the drill logs, the average silver and gold contents of the Vangorda ore were assumed to be the same as those of the Grum ore, as established by pilot plant testing at the facilities of Lakefield Research Ltd. by the Noranda Milling Committee, from October to December, 1977.

The specific gravity of 3.6 was taken from GECO's report, based on actual core analyses and tests.

Tabulations of the reserve summaries are presented in the following pages.

All the mineable reserves are within the claims owned 100% by Vangorda Mines Ltd.



YANGORDA STRIPPING AND MINING VOLUMES BY SECTIONS

Section	Stripping (m ³ 000's)					Mining (m ³ 000's)					
	OB	W	L	Pb (%)	Zn (%)	M	Pb (%)	Zn (%)	H	Pb (%)	Zn (%)
4 W	56	302	6	.09	1.18						
2 W	294	570	10	.91	1.67	834	1.98	3.68	45	4.92	7.49
0	135	971	109	.77	1.55	117	2.65	3.51	129	4.76	7.38
2 E	262	839	190	.95	1.42	110	2.38	3.72	169	4.42	6.72
4 E	419	836	128	.69	1.22	164	2.69	3.23	123	4.06	6.70
6 E	639	867	144	.73	1.34	123	2.30	3.51	118	4.57	7.59
8 E	663	736	33	1.16	1.69	71	1.76	3.89	71	4.22	7.27
10 E	637	735	98	.95	1.37	59	2.37	3.33	2	4.40	6.87
12 E	481	295	91	.73	.80	34	2.14	3.20	29	4.68	6.56
14 E	303	235	42	.81	1.20	40	2.52	3.33	38	5.23	7.30
16 E	201	348	21	1.02	1.15	19	2.51	3.92	9	2.98	6.89
18 E	119	635	64	.83	1.12	22	2.16	3.42	46	3.91	7.94
20 E	113	701	83	.62	.95	12	2.23	4.00	34	4.32	8.02
22 E	146	761	83	.93	1.25	29	2.77	2.88	34	3.85	7.45
24 E	211	796	156	.70	1.10	47	2.26	3.85	102	4.07	7.55
26 E	181	801	124	.90	.93	45	2.48	3.18	22	5.67	7.44
28 E	159	676	117	1.11	1.22	2	1.58	5.23	8	2.28	6.89
30 E	121	583	32	1.11	1.54	26	2.17	3.25	2	5.32	3.72
32 E	130	411	14	.51	.77	4	2.00	4.00			
34 E	71	398	13	.44	1.16	2	1.85	2.47			
36 E	110	314	34	.77	1.67	10	2.09	3.45	3	3.79	7.49
38 E	56	419	23	.76	1.41	45	2.30	4.24	14	2.80	10.46
<hr/>											
	5,609	13,286	1,616	.83	1.24	1,064	2.36	3.52	1,018	4.38	7.26

OB - Overburden
W - Waste
L - Low Grade
M - Medium Grade
H - High Grade

2.4 m tonnes

353.

252.83 / 100 = 2.4
4.8

VANGORDA STRIPPING BY BENCHES

<u>Bench</u>	<u>Overburden</u> (m ³)	<u>Waste</u> (m ³)	<u>Low Grade</u> (m ³)	<u>Total</u> (m ³)
1190	15,072	192		15,264
1180	132,041	28,348		160,389
1170	635,310	224,811	255	860,376
1190	15,072	192		15,264
1180	132,041	28,348		160,389
1170	635,310	224,811	255	860,376
1160	1,347,265	650,363	24,065	2,021,693
1150	1,417,649	1,307,640	105,642	2,830,931
1140	1,067,039	1,662,731	221,746	2,951,516
1130	603,746	1,886,957	223,619	2,714,322
1120	340,400	1,938,241	181,042	2,459,683
1110	50,355	1,747,731	165,770	1,963,856
1100		1,392,978	147,556	1,540,534
1090		1,083,456	112,108	1,195,564
1080		641,073	119,559	760,632
1070		277,475	117,510	394,985
1060		254,175	108,460	362,635
1050		115,380	70,040	185,420
1040		<u>74,475</u>	<u>18,775</u>	<u>93,250</u>
	<u>5,608,877</u>	<u>13,286,026</u>	<u>1,616,147</u>	<u>20,511,050</u>



VANGORDA ORE RESERVES BY BENCHES

<u>Bench</u>	<u>Medium Grade</u>	<u>High Grade</u>	<u>Total</u>	<u>Total</u>
	(m ³)	(m ³)	(m ³)	(t)
1190	-	-	-	-
1180	-	-	-	-
1170	-	-	-	-
1160	2,440	6,522	8,962	32,263
1150	67,965	74,737	142,702	513,727
1140	74,966	109,855	184,821	665,356
1130	105,603	124,541	230,144	828,518
1120	124,253	102,076	226,329	814,784
1110	114,238	102,795	217,033	781,319
1100	113,342	124,715	238,057	857,005
1090	111,291	93,366	204,657	736,765
1080	137,821	163,946	301,767	1,086,361
1070	126,210	70,910	197,120	709,632
1060	47,755	25,720	73,475	264,510
1050	21,220	18,470	39,690	142,884
1040	<u>16,400</u>	<u>365</u>	<u>16,765</u>	<u>60,354</u>
	<u>1,063,504</u>	<u>1,018,018</u>	<u>2,081,522</u>	<u>7,493,478</u>



MINING SCHEDULE

	<u>Bench</u>	<u>Individual</u>	<u>Undiluted</u> <u>Cumulative</u>	<u>Diluted</u> <u>Cumulative</u>
		(tonnes)	(tonnes)	(tonnes)
Year 1	1160	32,263	32,263	35,489
	1150	513,727	545,990	600,589
	1140	313,110	859,100	945,000
Year 2	1140	352,246	352,246	387,471
	1130	506,854	859,100	945,000
Year 3	1130	321,664	321,664	353,830
	1120	537,436	859,100	945,000
Year 4	1120	277,348	277,348	305,083
	1110	581,752	859,100	945,000
Year 5	1110	199,567	199,567	219,524
	1100	659,533	859,100	945,000
Year 6	1100	197,472	197,472	217,219
	1090	661,628	859,100	945,000
Year 7	1090	75,137	75,137	82,651
	1080	783,963	859,100	945,000
Year 8	1080	302,398	302,398	332,638
	1070	556,702	859,100	945,000
Year 9	1070	152,930	152,930	168,223
	1060	264,510	417,440	459,184
	1050	142,884	560,324	616,356
	1040	60,354	620,678	682,746



STRIPPING SCHEDULE

	<u>Bench</u>	<u>Overburden</u> (m ³)	<u>Waste</u> (m ³)	<u>Total</u> (m ³)
Year -2	1190	15,072	192	15,264
	1180	132,041	28,348	175,653
	1170	635,310	225,066	1,036,029
	1160	1,347,265	116,706	2,500,000
Year -1	1160	-	557,722	557,722
	1150	1,417,649	-	1,975,371
	1140	524,629	-	2,500,000
Year 1	1150	-	1,413,282	1,413,282
	1140	542,410	44,308	2,000,000
	dilution:		(25,000)	1,975,000
Year 2	1140	-	800,000	800,000
	1130	603,746	596,254	2,000,000
	dilution:		(25,000)	1,975,000
Year 3	1140	-	1,040,169	1,040,169
	1130	-	569,076	1,609,245
	1120	340,400	-	1,949,645
	1110	50,355	-	2,000,000
dilution:		(25,000)	1,975,000	
Year 4	1130	-	945,246	945,246
	1120	-	600,000	1,545,246
	1110	-	400,000	1,945,246
	1100	-	54,754	2,000,000
	dilution:		(25,000)	1,975,000
Year 5	1120	-	800,000	800,000
	1110	-	600,000	1,400,000
	1100	-	400,000	1,800,000
	1090	-	200,000	2,000,000
	dilution:		(25,000)	1,975,000
Year 6	1120	-	719,283	719,283
	1110	-	613,501	1,332,784
	1100	-	400,000	1,732,784
	1090	-	200,000	1,932,784
	1080	-	67,216	2,000,000
	dilution:		(25,000)	1,975,000



STRIPPING SCHEDULE - Cont'd.

	<u>Bench</u>	<u>Overburden</u>	<u>Waste</u>	<u>Total</u>
		(m ³)	(m ³)	(m ³)
Year 7	1110	-	300,000	300,000
	1100	-	685,780	985,780
	1090	-	600,000	1,585,780
	1080	-	400,000	1,985,780
	1070	-	14,220	2,000,000
	dilution:		(25,000)	1,975,000
Year 8	1090	-	195,564	195,564
	1080	-	293,416	488,980
	1070	-	380,765	869,745
	1060	-	222,845	1,092,590
	dilution:		(25,000)	1,067,590
Year 9	1060	-	139,790	139,790
	1050	-	185,420	325,210
	1040	-	93,250	418,460
	dilution:		(8,000)	410,460



6.2 GRUM AND CHAMP EXTENSION

Extensions of the Grum and Champ deposits reaching into the area of claims owned only 60% by Vangorda Mines Ltd. are too small to be developed into independent mines profitably. They form part of the future Grum and Champ mines whose development schedules are yet to be established.

The volume of mineable reserves in the extensions were calculated by the projection of drill hole intersections, to a maximum depth of 150 m, that is to the most likely extent of the potential pit limits.

Tabulations of these reserves are presented in the following pages.

It is assumed that the extensions would be mined and processed by others as part of the main Grum and Champ deposits. The value of the extensions would be established on a royalty per unit basis (\$/tonne). The royalty would probably follow a conventional rate, that is 5% of net smelter return. Vangorda Mines Ltd., having 60% interest in the claims, would be entitled to receive 3% of the net smelter returns made on the volumes of the extensions calculated.

Although the deposit is unlikely to be actually mined within the next 15 years if we assumed it were to be mined over a 5 year period commencing 3 years after start-up of Vangorda, the 3% net smelter return would be approximately \$250,000 per year. The present value of such additional revenue (assuming no income tax) would be approximately \$400,000 at a 16% discount rate. If the mine started 10 years after the start-up of Vangorda the present value would be reduced to less than \$200,000. Neither of the above values have been entered into the analysis for the following reasons:

- 1) the values are relatively insignificant in comparison to capital costs of close to \$100 million. For example, an increase in the capital cost of $\frac{1}{2}$ of 1% above the estimate would more than offset such a small number.
- 2) the extensions may not be mined for 15 years or more.



- 3) a change in the base price estimate of only 1/10 of 1 cent per pound in lead and zinc would have just as great an impact on the present value.



GRUM EXTENSION
Drill Hole Intersections

	<u>M</u>	<u>Pb</u>	<u>Zn</u>	<u>Ag</u>	<u>H</u>	<u>Pb</u>	<u>Zn</u>	<u>Ag</u>
	(m)	(%)	(%)	(gm/t)	(m)	(%)	(%)	(gm/t)
68 W					1.3	3.90	6.88	46.29
					2.4	3.05	5.15	64.46
					2.4	10.56	9.02	158.37
					6.1	6.19	7.04	97.54
66 W	3.3	1.63	2.86	23.98	3.1	5.32	8.2	90.14
	6.2	1.49	3.18	23.85	10.7	11.09	9.66	139.30
	3.0	2.64	3.90	41.90	13.3	6.87	8.27	92.50
	5.6	2.35	3.12	34.60	10.6	6.89	6.70	86.06
	5.9	2.93	4.10	37.20	3.1	4.32	4.23	55.04
	24.0	2.21	3.44	31.91	40.8	7.67	7.92	100.07
64 W	2.5	2.30	3.86	30.17	7.3	8.14	10.62	119.40
	5.6	1.67	3.02	23.98	1.5	5.68	5.04	78.40
	3.3	1.43	3.49	26.41	5.9	4.26	6.60	61.88
	4.2	2.64	3.42	37.60	3.6	7.62	7.81	74.06
	5.5	1.44	1.94	26.80	3.6	7.09	6.90	88.45
	21.1	1.84	2.99	28.54	4.1	4.88	7.29	74.74
					1.2	7.40	4.26	80.56
				27.2	6.43	7.79	86.12	
62 W	7.6	2.36	2.93	31.90	4.3	3.74	6.46	52.40
					3.2	4.37	4.64	55.00
					2.0	2.85	5.28	40.45
					2.5	3.76	5.60	50.76
60 W					3.7	3.75	6.71	55.09
					3.9	2.46	6.25	43.60
					7.6	3.09	6.47	49.19

M - Medium grade
H - High grade



GRUM EXTENSION (tonnes 000)

	<u>M</u>	<u>Pb</u>	<u>Zn</u>	<u>Ag</u>	<u>H</u>	<u>Pb</u>	<u>Zn</u>	<u>Ag</u>
	(m)	(%)	(%)	(gm/t)	(m)	(%)	(%)	(gm/t)
68 W					40.2	6.19	7.04	97.54
66 W	158.1	2.21	3.44	31.91	268.8	7.67	7.92	100.07
64 W	139.0	1.84	2.99	28.54	179.2	6.43	7.79	86.12
62 W	50.0	2.36	2.93	31.90	62.7	3.76	5.60	50.76
60 W					50.1	3.09	6.47	49.19
	<u>347.1</u>	<u>2.08</u>	<u>3.19</u>	<u>30.56</u>	<u>601.0</u>	<u>6.41</u>	<u>7.46</u>	<u>86.36</u>
Total Tonnage:					<u>948.1</u>	<u>4.82</u>	<u>5.90</u>	<u>54.74</u>

CHAMP EXTENSION**Drill Hole Intersections**

	<u>M</u>	<u>Pb</u>	<u>Zn</u>	<u>Ag</u>
	(m)	(%)	(%)	(gm/t)
	4.0	2.47	1.90	31.0
	<u>3.0</u>	<u>2.17</u>	<u>2.01</u>	<u>28.0</u>
	<u>7.0</u>	<u>2.34</u>	<u>1.95</u>	<u>29.7</u>
Total Tonnage:		<u>46,100</u>		

M - Medium grade
H - High grade



SECTION 7

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SECTION 7

RECOVERIES

SECTION 7
RECOVERIES

Total recoveries are expected to be similar to what was actually achieved by CAMC at the Faro operation during 1978, as predicted by the Noranda Milling Committee on the basis of pilot plant test results at the Lakefield Research facilities with Grum ore samples, and as accepted by H.F. Ditchburn in his report (December, 1980):

	<u>Lead</u>	<u>Zinc</u>
% Recovery into concentrate	80.0	84.0
Concentrate grade		
% Pb	62.0	
% Zn		56.0
Ag ozs/DMT of lead concentrate	28.0	
Au ozs/DMT of lead concentrate	0.15	



SECTION 8

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SECTION 8

METAL PRICES AND EXCHANGE RATES

SECTION 8

METAL PRICES AND EXCHANGE RATES

It should be noted here that two systems of pricing are practised in the industry, the producer price system and the London Metal Exchange (LME) market system. The London Metal Exchange is essentially a free market on which only limited volumes of zinc are traded (about 5% of world consumption). The exchange is an outlet for excess stocks and a source of stocks for hedging or speculative purposes. There are two major producer prices, the European (non U.S.) and the U.S. These prices are tied together in that the U.S. price cannot for long exceed the European price by an amount greater than United States duty and transport and insurance costs. Within the U.S. and Europe, producer prices appear to reflect price leadership phenomena. That is, a leading producer will announce a price and eventually industry-wide prices will evolve. Producers generally try to maintain a semblance of price stability in the industry with price changes mainly in response to longer run changes in the real forces of supply and demand.

In the Whitehorse Copper judgment, the Chief Justice states "I would be influenced by current trends which indicated a general upwards movement of metal prices, but I would not use estimates of future prices even close to those which have actually been experienced. I would use price trends, as Hudbay did in Exhibit 12, and I would be exceedingly conservative in my forecasts".

As a result of the Whitehorse Copper judgment, WEL has analyzed the prices of lead, zinc, and silver for the 20 years prior to mid-1979. Since gold was at a very low level until the 1970's, WEL reviewed the gold price only from 1974 to June, 1979. For lead and zinc, WEL reviewed both the LME price and the U.S. Producer Price. It should be noted that the U.S. Producer Price (USPP) for zinc has been slightly higher (on average) than the European Producer Price for zinc. Consequently, the usage of the U.S. Producer Price increases the present value slightly.

To obtain price inputs to the WEL Financial Analysis, WEL determined 5, 10 and 20 year average prices (in mid-1979 U.S. dollars) of lead, zinc and silver, and a 5 year average price for gold. All prices were adjusted to mid-1979 dollars to account



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for inflation. This was done by utilizing the U.S. Wholesale Commodity Price Index (WPI). The year-by-year metal prices and the WPI are shown on the following pages, with the averages summarized below in mid-1979 U.S. dollars:

	<u>Cents/Pound</u>		<u>\$/Ounce</u>	
	<u>Lead</u>	<u>Zinc</u>	<u>Silver</u>	<u>Gold</u>
<u>U.S. Producer Prices</u>				
20 year average	31.2	34.3	4.06	
10 year average	32.4	38.5	5.01	
5 year average	34.8	40.5	5.93	
<u>London Metal Exchange Prices</u>				
20 year average	27.8	32.8	4.07	
10 year average	31.1	40.5	5.01	
5 year average	33.1	35.4	5.93	197.00
<u>Average of USPP and LME</u>				
20 year average	29.5	33.6	4.07	
10 year average	31.8	39.4	5.01	
5 year average	33.9	37.9	5.93	197.00

It should be noted that the 5 year lead price is significantly influenced by the high price in the first half of 1979. Since the first half of 1979 carried an equal weight in the above averages as did other full years, the impact was even greater. In addition, the high zinc prices from 1973 to 1975 significantly influenced the average prices for zinc.

As can be seen from the above averages, there is not a large difference between the 5, 10, or 20 year average lead and zinc price after adjusting for inflation. This means that the real lead and zinc prices have not changed significantly over the long term, although they are highly cyclical in the short term. Although the 20 year average (of the LME and USPP) price of lead and zinc was 29.5 and 33.6 cents per pound respectively, and the 5 year average was 33.9 and 37.9 respectively, WEL believes that prices somewhere in the middle would be reasonable estimates for long term price projections. As a result, WEL believes the price inputs for lead and zinc should be about 31 and 36 cents respectively in mid-1979 U.S. dollars. However, WEL



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has also analyzed the impact on net present value of utilizing prices of 34 and 38 cents per pound for lead and zinc respectively. Both of those latter prices are slightly above the 5 year averages, adjusted for inflation.

Although the 5 year average prices for gold and silver to mid-1979 were \$197 and \$5.93 per ounce respectively, WEL has used prices about 10% higher, namely \$220 and \$6.50 per ounce respectively. WEL believes such higher prices could be justified for gold and silver, since there are significant purchases of both metals by those wishing to protect themselves from inflation.



ZINC PRICE
(cents/pound)

<u>Year</u>	<u>U.S.Producer Price</u>	<u>LME Price</u>	<u>Price Adjusted for Inflation</u>	
			<u>U.S. Producer</u>	<u>LME</u>
1960	12.95	11.37	30.33	26.63
1961	11.54	9.88	27.00	23.12
1962	11.63	8.57	27.32	20.12
1963	12.00	9.74	28.10	22.81
1964	13.57	14.96	31.88	35.14
1965	14.50	14.22	33.99	33.33
1966	14.50	12.92	33.34	29.70
1967	13.84	12.53	30.79	27.88
1968	13.50	12.08	29.98	26.83
1969	14.60	13.13	31.64	28.45
1970	15.32	13.38	30.87	26.96
1971	16.13	14.08	31.52	27.51
1972	17.75	17.12	33.15	31.98
1973	20.66	38.31	34.13	63.29
1974	35.95	55.97	49.97	77.80
1975	38.96	33.79	50.38	43.69
1976	37.01	32.30	45.00	39.28
1977	34.39	26.73	39.38	30.61
1978	30.97	26.87	32.92	28.56
1979 to June	37.53	34.95	<u>34.95</u>	<u>34.95</u>
		20 Year Average	<u>34.33</u>	<u>32.78</u>

* Metals Week

** Source: Metal Bulletin



LEAD PRICE

(cents/pound)

<u>Year</u>	<u>U.S. Producer Price</u>	<u>LME Price</u>	<u>Price Adjusted for Inflation</u>	
			<u>U.S. Producer</u>	<u>LME</u>
1960	11.95	9.19	27.99	21.52
1961	10.87	8.16	25.44	19.09
1962	9.63	7.17	22.62	16.79
1963	11.14	8.06	26.09	18.88
1964	13.60	12.82	31.95	30.11
1965	16.00	14.58	37.50	34.18
1966	15.12	12.06	34.76	27.73
1967	14.00	10.45	31.15	23.25
1968	13.21	11.06	29.34	24.56
1969	14.90	13.30	32.29	28.82
1970	15.62	13.74	31.47	27.69
1971	13.80	11.51	26.97	22.48
1972	15.03	13.68	28.08	25.55
1973	16.29	19.38	32.02	32.02
1974	22.53	26.80	31.32	37.25
1975	21.53	18.68	27.84	24.15
1976	23.10	20.50	28.09	24.93
1977	30.70	28.00	35.15	32.06
1978	33.65	29.80	35.77	31.68
1979 to June	47.24	52.91	<u>47.24</u>	<u>52.91</u>
		20 Year Average	<u>31.15</u>	<u>27.78</u>



SILVER PRICE

U.S.¢/Troy Ounce

<u>Year</u>	<u>U.S.Producer Price</u>	<u>LME Price</u>	<u>U.S. Producer After Inflation</u>	<u>LME After Inflation</u>
1960	91.38	92.86	214.01	217.48
1961	92.45	93.73	216.33	219.33
1962	108.52	107.07	254.91	251.51
1963	127.91	128.47	299.57	300.88
1964	129.30	130.20	303.73	305.84
1965	129.30	129.99	303.08	304.70
1966	129.30	130.12	297.26	299.145
1967	154.97	162.70	344.81	362.01
1968	214.46	219.03	476.32	486.47
1969	179.07	180.02	388.04	390.10
1970	177.08	176.75	356.82	356.15
1971	154.56	154.20	302.01	301.31
1972	168.46	168.57	314.68	314.89
1973	255.76	254.37	422.52	420.22
1974	470.80	470.60	654.41	654.13
1975	441.85	441.75	571.31	571.82
1976	435.35	434.92	529.39	528.86
1977	462.30	463.31	529.33	530.49
1978	540.09	541.88	574.12	576.02
1979 to June	758.69	756.28	<u>758.69</u>	<u>756.28</u>
		20 Year Average	<u>405.57</u>	<u>407.33</u>



GOLD PRICE
U.S.\$/Troy Ounce

<u>Year</u>	<u>LME Price</u>	<u>LME Adjusted for Inflation</u>
1960		
1961		
1962		
1963		
1964		
1965		
1966		
1967		
1968		
1969		
1970		
1971		
1972		
1973		
1974	159.26	221.37
1975	161.02	208.20
1976	124.84	151.81
1977	147.72	169.14
1978	193.23	205.40
1979 to June	248.47	248.47



WHOLESALE COMMODITY PRICE INDEX (WPI)

<u>Year</u>	<u>WPI</u>	<u>Factor</u>
1960	100.6	2.342
1961	100.7	2.340
1962	100.3	2.349
1963	100.6	2.342
1964	100.3	2.349
1965	100.5	2.344
1966	102.5	2.299
1967	105.9	2.225
1968	106.1	2.221
1969	108.7	2.167
1970	116.9	2.015
1971	120.6	1.954
1972	126.1	1.868
1973	142.6	1.652
1974	169.5	1.390
1975	182.2	1.293
1976	193.8	1.216
1977	205.7	1.145
1978	221.6	1.063
1979 to June	235.6	1.000

Department of Labour



EXCHANGE RATE

Exchange rates are generally not as cyclical as metal prices. They also do not fluctuate as quickly or as greatly as do metal prices. Consequently, it is felt that exchange rates should not be determined by calculating 20, 10, or 5 year average exchange rates. Conversely, a specific exchange rate at a particular point in time may not be representative for a variety of reasons, such as central bank interference in "stabilizing" the dollar.

WEL has calculated an average exchange rate for the two years immediately prior to June 1, 1979. This rate of 88.6 cents U.S. to \$1.00 Canadian has been utilized in converting metal prices from U.S. dollars to Canadian dollars.



SECTION 9

SECTION 9

DEBT/EQUITY RATIO AND DISCOUNT RATES

DISCOUNT RATES

Unfortunately, there is no generally accepted quantifiable measure of risk in the mining industry. There is, however, general agreement that the investor's risk is associated with the possibility of variations in the income stream to be received, and for the loss of part or all the capital sum invested. The latter can, of course, be linked to the former as it reflects the anticipated reduction in, or cessation of, the income stream generated by the investment.

It is common in the mining industry to evaluate investment opportunities on the net present value basis as used in this study and to apply a relatively high discount rate to the annual cash flows thus estimated. One measure of the appropriate discount rate is the opportunity rate of return which could be obtained from similar investments. The minimum acceptable rate of return or "hurdle rate" of companies that invest in developing or producing mines is relevant in this respect. Similarly, the discount rates which are used by investment analysts for the evaluation of investments in mining ventures are manifestations of a practice which is acceptable to reasonable and knowledgeable persons.

In the absence of such a quantitative analysis, WEL has in the past conducted an extensive survey of the opinions held as to discount rates by knowledgeable persons within the financial and mining community. The relevant results of this survey are summarized below:

1. In the evaluation of mineral properties which have been explored by drilling but on which no other preproduction activities have yet been started, it is common to use discount rates of 15% to 18% in terms of constant dollars.
2. In the evaluation of mineral properties which are already in production or upon which extensive development has been undertaken, it is most common to use discount rates of between 8% and 14% in terms of constant dollars.

In this particular situation, a final feasibility had not been prepared as of June 8, 1979. As a result, WEL believes that an appropriate discount rate for this



project would be 16%. However, WEL has analyzed the impact of both an 18% and a 14% discount rate.

It should be noted that a 15% discount rate was utilized to determine the net present value in the Whitehorse Copper judgment. However, in that situation there was an operating mine with a history of performance. In the Vangorda situation there are a variety of risks not present in the Whitehorse case. These include capital cost overruns, higher than projected operating costs, lower metal recovery, construction delays, etc. Consequently, the discount rate utilized for Vangorda cash flows should be higher than that utilized for Whitehorse Copper cash flows.



SECTION 10

SECTION 10

CAPITAL AND OPERATING COSTS

SECTION 10CAPITAL AND OPERATING COSTS9.1 CAPITAL COST

Capital cost estimate for a production rate of 2,700 tonnes per day, (3,000 tons per day,

	<u>\$ Millions</u>
Mine preproduction development	7.86
Mining equipment	17.83
Site development	1.10
Crushing	10.08
Processing	14.06
Water supply	1.86
Tailing disposal and water reclamation	3.21
Power supply and distribution	2.28
Ancillary buildings	7.18
Access road, surface vehicles and fuel storage	0.42
Employee housing	<u>7.72</u>
Sub-total	\$73.60
Working capital	7.66
Engineering and field supervision	7.48
Administration costs	<u>4.33</u>
TOTAL	<u>\$93.07</u>

This capital cost estimate was produced by the application of Wright Engineers Limited's Quick Capital Cost computer program. This program was developed to provide a preliminary assessment of the capital requirements to bring a particular mine into production. It was developed from curves which depict the average cost of a large number of mining projects. Consequently, for a particular project large deviations are possible even though factors have been developed to modify the curves to suit the particular project in question. The Quick Capital Cost program is intended to give costs for preliminary evaluation and study. The American Association of Cost Engineers define the accuracy for this type of estimate as being in the range of plus or minus 30 percent.



The WEL estimate includes \$7.66 million for working capital. If this item is removed from the WEL estimate, the WEL and the Kilborn capital cost estimate are comparable as follows:

WEL	\$93.07-7.66 =	\$85.41
Kilborn		\$84.65

The two estimates were produced independently, by different methods and are very close, therefore the costs can be considered reasonable.

9.2 OPERATING COSTS

The operating costs are based on the CAMC actual 2nd, 3rd and 4th quarter 1978 and 1st quarter 1979 operating costs having an average throughput of 8,400 tonnes of ore per day for 350 days per year. These costs were escalated to mid 1979 and scaled to the projected 2,700 tonnes per day rate for the Vangorda property. The cost comparison for the two operations as of June 8, 1979, are as follows:

	Faro @ 8,400 tonnes/day <u>\$/tonne milled</u>	Vangorda @2,700 tonnes/day <u>\$/tonne milled</u>
Mining	\$ 4.56	\$ 6.36
Milling	5.60	7.83
Plant and General	5.40	9.39
Administration & Technical	<u>2.75</u>	<u>4.79</u>
<u>Total</u>	\$ <u>18.31</u>	\$ <u>28.37</u>

Operating costs estimated for other Vangorda property evaluations are approximately half of the WEL estimate and less than those for the Faro operation. Operating costs for mining operations in the same district, using the same mining method, process, infrastructure and having similar orebody characteristics will vary with production rates and will follow an exponential curve. Generally the higher the



production rate the lower the operating costs will be. Since Faro and Vangorda are in the same district and are similar except for production rates, it is reasonable to relate their operating costs by a curve which compares daily production rates to unit operating costs. The result is a higher operating cost per tonne of ore milled than is currently being experienced at Faro. It is unreasonable for the Vangorda costs to be lower than those at Faro.

9.3 TRANSPORTATION

Actual concentrate handling costs paid by CAMC in 1978 for 419,600 tonnes were as follows:

	<u>1978</u>	<u>Escalated to Mid 1979</u> (12%)
Transportation to tidewater	\$30.83/SWT	34.53/SWT
Skagway Terminal	\$ 5.70/DMT	6.38/DMT
Ocean freight	\$21.00/DMT	23.52/DMT

The Vangorda Mines Ltd.'s calculated concentrate production is an average of 90,000 tonnes per year. In 1978, CAMC produced 419,650 tonnes of concentrate. It is unlikely Vangorda would be able to negotiate as favourable a transportation rate as CAMC due to the large tonnage difference. An increase of 10% above CAMC costs is reasonable to arrive at probable Vangorda transportation costs for trucking to Skagway and ocean freight. It is understood the wharf charges at the Skagway terminal is a cost plus labour and equipment arrangement and, therefore, it would probably be the same for Vangorda. The concentrate handling costs for Vangorda is assumed as follows:

Transportation to tidewater	\$38.00/SWT
Skagway Terminal	\$ 6.38/DMT
Ocean freight	\$25.87/DMT



SECTION 11

ZINC PRICE

(cents/pound)

<u>Year</u>	<u>U.S. Producer Price</u>	<u>LME Price</u>	<u>Price Adjusted for Inflation</u>	
			<u>U.S. Producer</u>	<u>LME</u>
1960	12.95	11.37	30.33	26.63
1961	11.54	9.88	27.00	23.12
1962	11.63	8.57	27.32	20.12
1963	12.00	9.74	28.10	22.81
1964	13.57	14.96	31.88	35.14
1965	14.50	14.22	33.99	33.33
1966	14.50	12.92	33.34	29.70
1967	13.84	12.53	30.79	27.88
1968	13.50	12.08	29.98	26.83
1969	14.60	13.13	31.64	28.45
1970	15.32	13.38	30.87	26.96
1971	16.13	14.08	31.52	27.51
1972	17.75	17.12	33.15	31.98
1973	20.66	38.31	34.13	63.29
1974	35.95	55.97	49.97	77.80
1975	38.96	33.79	50.38	43.69
1976	37.01	32.30	45.00	39.28
1977	34.39	26.73	39.38	30.61
1978	30.97	26.87	32.92	28.56
1979 to June	37.53	34.95	<u>34.95</u>	<u>34.95</u>
		20 Year Average	<u>34.33</u>	<u>32.78</u>

* Metals Week

** Source: Metal Bulletin



LEAD PRICE

(cents/pound)

<u>Year</u>	<u>U.S. Producer Price</u>	<u>LME Price</u>	<u>Price Adjusted for Inflation</u>	
			<u>U.S. Producer</u>	<u>LME</u>
1960	11.95	9.19	27.99	21.52
1961	10.87	8.16	25.44	19.09
1962	9.63	7.17	22.62	16.79
1963	11.14	8.06	26.09	18.88
1964	13.60	12.82	31.95	30.11
1965	16.00	14.58	37.50	34.18
1966	15.12	12.06	34.76	27.73
1967	14.00	10.45	31.15	23.25
1968	13.21	11.06	29.34	24.56
1969	14.90	13.30	32.29	28.82
1970	15.62	13.74	31.47	27.69
1971	13.80	11.51	26.97	22.48
1972	15.03	13.68	28.08	25.55
1973	16.29	19.38	32.02	32.02
1974	22.53	26.80	31.32	37.25
1975	21.53	18.68	27.84	24.15
1976	23.10	20.50	28.09	24.93
1977	30.70	28.00	35.15	32.06
1978	33.65	29.80	35.77	31.68
1979 to June	47.24	52.91	<u>47.24</u>	<u>52.91</u>
		20 Year Average	<u>31.15</u>	<u>27.78</u>



SILVER PRICE

U.S.¢/Troy Ounce

<u>Year</u>	<u>U.S.Producer Price</u>	<u>LME Price</u>	<u>U.S. Producer After Inflation</u>	<u>LME After Inflation</u>
1960	91.38	92.86	214.01	217.48
1961	92.45	93.73	216.33	219.33
1962	108.52	107.07	254.91	251.51
1963	127.91	128.47	299.57	300.88
1964	129.30	130.20	303.73	305.84
1965	129.30	129.99	303.08	304.70
1966	129.30	130.12	297.26	299.145
1967	154.97	162.70	344.81	362.01
1968	214.46	219.03	476.32	486.47
1969	179.07	180.02	388.04	390.10
1970	177.08	176.75	356.82	356.15
1971	154.56	154.20	302.01	301.31
1972	168.46	168.57	314.68	314.89
1973	255.76	254.37	422.52	420.22
1974	470.80	470.60	654.41	654.13
1975	441.85	441.75	571.31	571.82
1976	435.35	434.92	529.39	528.86
1977	462.30	463.31	529.33	530.49
1978	540.09	541.88	574.12	576.02
1979 to June	758.69	756.28	<u>758.69</u>	<u>756.28</u>
		20 Year Average	<u>405.57</u>	<u>407.33</u>



GOLD PRICE
U.S.\$/Troy Ounce

<u>Year</u>	<u>LME Price</u>	<u>LME Adjusted for Inflation</u>
1960		
1961		
1962		
1963		
1964		
1965		
1966		
1967		
1968		
1969		
1970		
1971		
1972		
1973		
1974	159.26	221.37
1975	161.02	208.20
1976	124.84	151.81
1977	147.72	169.14
1978	193.23	205.40
1979 to June	248.47	248.47



WHOLESALE COMMODITY PRICE INDEX (WPI)

<u>Year</u>	<u>WPI</u>	<u>Factor</u>
1960	100.6	2.342
1961	100.7	2.340
1962	100.3	2.349
1963	100.6	2.342
1964	100.3	2.349
1965	100.5	2.344
1966	102.5	2.299
1967	105.9	2.225
1968	106.1	2.221
1969	108.7	2.167
1970	116.9	2.015
1971	120.6	1.954
1972	126.1	1.868
1973	142.6	1.652
1974	169.5	1.390
1975	182.2	1.293
1976	193.8	1.216
1977	205.7	1.145
1978	221.6	1.063
1979 to June	235.6	1.000

Department of Labour



EXCHANGE RATE

Exchange rates are generally not as cyclical as metal prices. They also do not fluctuate as quickly or as greatly as do metal prices. Consequently, it is felt that exchange rates should not be determined by calculating 20, 10, or 5 year average exchange rates. Conversely, a specific exchange rate at a particular point in time may not be representative for a variety of reasons, such as central bank interference in "stabilizing" the dollar.

WEL has calculated an average exchange rate for the two years immediately prior to June 1, 1979. This rate of 88.6 cents U.S. to \$1.00 Canadian has been utilized in converting metal prices from U.S. dollars to Canadian dollars.



SECTION 9

DEBT/EQUITY RATIO AND DISCOUNT RATES

DISCOUNT RATES

Unfortunately, there is no generally accepted quantifiable measure of risk in the mining industry. There is, however, general agreement that the investor's risk is associated with the possibility of variations in the income stream to be received, and for the loss of part or all the capital sum invested. The latter can, of course, be linked to the former as it reflects the anticipated reduction in, or cessation of, the income stream generated by the investment.

It is common in the mining industry to evaluate investment opportunities on the net present value basis as used in this study and to apply a relatively high discount rate to the annual cash flows thus estimated. One measure of the appropriate discount rate is the opportunity rate of return which could be obtained from similar investments. The minimum acceptable rate of return or "hurdle rate" of companies that invest in developing or producing mines is relevant in this respect. Similarly, the discount rates which are used by investment analysts for the evaluation of investments in mining ventures are manifestations of a practice which is acceptable to reasonable and knowledgeable persons.

In the absence of such a quantitative analysis, WEL has in the past conducted an extensive survey of the opinions held as to discount rates by knowledgeable persons within the financial and mining community. The relevant results of this survey are summarized below:

1. In the evaluation of mineral properties which have been explored by drilling but on which no other preproduction activities have yet been started, it is common to use discount rates of 15% to 18% in terms of constant dollars.
2. In the evaluation of mineral properties which are already in production or upon which extensive development has been undertaken, it is most common to use discount rates of between 8% and 14% in terms of constant dollars.

In this particular situation, a final feasibility had not been prepared as of June 8, 1979. As a result, WEL believes that an appropriate discount rate for this



project would be 16%. However, WEL has analyzed the impact of both an 18% and a 14% discount rate.

It should be noted that a 15% discount rate was utilized to determine the net present value in the Whitehorse Copper judgment. However, in that situation there was an operating mine with a history of performance. In the Vangorda situation there are a variety of risks not present in the Whitehorse case. These include capital cost overruns, higher than projected operating costs, lower metal recovery, construction delays, etc. Consequently, the discount rate utilized for Vangorda cash flows should be higher than that utilized for Whitehorse Copper cash flows.



SECTION 10

CAPITAL AND OPERATING COSTS

SECTION 10
CAPITAL AND OPERATING COSTS

9.1 CAPITAL COST

Capital cost estimate for a production rate of 2,700 tonnes per day, (3,000 tons per day,

	<u>\$ Millions</u>
Mine preproduction development	7.86
Mining equipment	17.83
Site development	1.10
Crushing	10.08
Processing	14.06
Water supply	1.86
Tailing disposal and water reclamation	3.21
Power supply and distribution	2.28
Ancillary buildings	7.18
Access road, surface vehicles and fuel storage	0.42
Employee housing	<u>7.72</u>
Sub-total	\$73.60
Working capital	7.66
Engineering and field supervision	7.48
Administration costs	<u>4.33</u>
TOTAL	<u>\$93.07</u>

This capital cost estimate was produced by the application of Wright Engineers Limited's Quick Capital Cost computer program. This program was developed to provide a preliminary assessment of the capital requirements to bring a particular mine into production. It was developed from curves which depict the average cost of a large number of mining projects. Consequently, for a particular project large deviations are possible even though factors have been developed to modify the curves to suit the particular project in question. The Quick Capital Cost program is intended to give costs for preliminary evaluation and study. The American Association of Cost Engineers define the accuracy for this type of estimate as being in the range of plus or minus 30 percent.



The WEL estimate includes \$7.66 million for working capital. If this item is removed from the WEL estimate, the WEL and the Kilborn capital cost estimate are comparable as follows:

WEL.	\$93.07-7.66 =	\$85.41
Kilborn		\$84.65

The two estimates were produced independently, by different methods and are very close, therefore the costs can be considered reasonable.

9.2 OPERATING COSTS

The operating costs are based on the CAMC actual 2nd, 3rd and 4th quarter 1978 and 1st quarter 1979 operating costs having an average throughput of 8,400 tonnes of ore per day for 350 days per year. These costs were escalated to mid 1979 and scaled to the projected 2,700 tonnes per day rate for the Vangorda property. The cost comparison for the two operations as of June 8, 1979, are as follows:

	Faro @ 8,400 tonnes/day <u>\$/tonne milled</u>	Vangorda @2,700 tonnes/day <u>\$/tonne milled</u>
Mining	\$ 4.56	\$ 6.36
Milling	5.60	7.83
Plant and General	5.40	9.39
Administration & Technical	<u>2.75</u>	<u>4.79</u>
<u>Total</u>	<u>\$ 18.31</u>	<u>\$ 28.37</u>

Operating costs estimated for other Vangorda property evaluations are approximately half of the WEL estimate and less than those for the Faro operation. Operating costs for mining operations in the same district, using the same mining method, process, infrastructure and having similar orebody characteristics will vary with production rates and will follow an exponential curve. Generally the higher the



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9.3 TRANSPORTATION

Actual concentrate handling costs paid by CAMC in 1978 for 419,600 tonnes were as follows:

	<u>1978</u>	<u>Escalated to Mid 1979</u>
		(12%)
Transportation to tidewater	\$30.83/SWT	34.53/SWT
Skagway Terminal	\$ 5.70/DMT	6.38/DMT
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Transportation to tidewater	\$38.00/SWT
Skagway Terminal	\$ 6.38/DMT
Ocean freight	\$25.87/DMT



SECTION 11

CASHFLOW ANALYSIS

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CASHFLOW ANALYSIS

According to the cashflow projection based on the foregoing data, the free standing project of the Vangorda deposit has a negative rate of return.

By applying the same parameters but using the prices forecasted earlier by CAMC and the price forecast of H.F. Ditchburn, the rates of return are positive but the net worths are negative at discount rates greater than those rates of return as illustrated below:

Discount %	Net Worth \$			
	<u>WEL</u>		<u>CAMC</u>	<u>HFD</u>
	<u>31¢ lead/36¢ zinc</u>	<u>34¢ lead/38¢ zinc</u>		
14	(67,625,000)	(58,175,000)	(18,598,000)	(8,309,000)
16	(66,523,000)	(58,322,000)	(22,365,000)	(13,023,000)
18	(65,681,000)	(58,256,000)	(25,493,000)	(16,983,000)
Rate of Return	(15.15)	(9.41)	7.44	11.15

Details are presented on the following pages:



YANGORDA EVALUATION

PRODUCTION STATISTICS

Lead US31¢/lb Zinc US36¢/lb

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	Accum/Avg
REVENUE												
Lead	0	0	17.013	18.288	17.124	16.623	17.068	17.401	16.237	16.071	11.651	147.478
Zinc	0	0	31.827	31.888	30.921	30.196	30.498	29.049	28.385	26.090	18.457	257.311
Gold	0	0	7.692	8.272	7.744	7.516	7.722	7.868	7.340	7.267	5.270	66.691
Gold	0	0	1.490	1.490	1.490	1.242	1.490	1.490	1.242	1.242	.993	12.170
Total Revenue	0	0	58.022	59.938	57.279	55.579	56.778	55.808	53.204	50.670	36.371	483.650
Treatment Charge												
Lead	0	0	5.177	5.563	5.211	5.058	5.194	5.294	4.941	4.889	3.545	44.871
Zinc	0	0	13.281	13.307	12.904	12.601	12.727	12.122	11.845	10.887	7.701	107.372
Shipping Insurance	0	0	5.671	5.820	5.576	5.434	5.518	5.385	5.175	4.884	3.487	46.952
Ocean Freight	0	0	2.901	2.977	2.853	2.780	2.823	2.758	2.647	2.499	1.784	24.019
Net Revenue	0	0	30.922	32.271	30.733	29.706	30.518	30.249	28.596	27.511	19.854	260.438

CASHFLOW SUMMARY - PAGE 1
\$ MILLIONS CAN.

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
0. ORE MILLED (000 S TONS)	0	0	0	0	0	0	0	0	0	0
0. NET SMELTER RETURN	0.000	0.000	30.992	32.271	30.735	29.706	30.518	30.249	28.596	27.511
0. - OPERATING COSTS	5.356	5.454	26.538	26.507	26.620	26.825	26.927	26.825	26.927	24.474
0. MINE SITE OPERATING PROFIT	(5.356)	(5.454)	4.454	5.764	4.115	2.881	3.691	3.424	1.769	3.037
1. -FEDERAL INCOME TAX PAID	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
2. -YUKON INCOME TAX PAID	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
3. -YUKON ROYALTY PAID	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
4. TOTAL TAXES PAID	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
15. CASH FLOW BEFORE CAPITAL COSTS	(5.356)	(5.454)	4.454	5.764	4.115	2.881	3.691	3.424	1.769	3.037
16. -PROCESSING FACILITIES	15.636	23.454	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
17. -MINING + OTHER EQUIPMENT	7.132	10.698	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
18. -TOWNSITE+SOCIAL CAPITAL	3.108	4.662	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
18. -PRE-PRODUCTION DEVELOPMENT	7.996	11.994	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
19. -WORKING CAPITAL REQUIRED	0.000	0.000	7.657	0.000	0.000	0.000	0.000	0.000	0.000	0.000
20. -CAPITALIZED INTEREST	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
21. INITIAL CAPITAL COSTS	33.872	50.808	7.657	0.000	0.000	0.000	0.000	0.000	0.000	0.000
22. -SUSTAINING CAPITAL	0.000	0.000	.300	.500	.500	.500	.200	.100	0.000	0.000
23. -ONGOING EXPLORATION	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
24. +WORKING CAPITAL RECOVERY	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	7.657
24. +SALVAGE	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
25. TOTAL CAPITAL COSTS	33.872	50.808	7.957	.500	.500	.500	.200	.100	0.000	(7.657)
25. CASH FLOW BEFORE FINANCING	(39.228)	(56.262)	(3.503)	5.264	3.615	2.381	3.491	3.324	1.769	10.694
26. +PRIMARY BANK LOAN DRAWDOWN	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
28. -SCHEDULED LOAN REPAYMENT	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
29. -OPTIONAL LOAN REPAYMENT	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
30. -INTEREST EXPENSE	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
31. +INTEREST INCOME	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
32. +OTHER INCOME	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
33. NET EQUITY CASH AVAILABLE (REQUIRED)	(39.228)	(56.262)	(3.503)	5.264	3.615	2.381	3.491	3.324	1.769	10.694
ACCUMULATIVE TOTAL	(39.228)	(95.490)	(98.993)	(93.729)	(90.114)	(87.733)	(84.242)	(80.918)	(79.149)	(68.455)
DISCOUNTED NCF (14 PCT)	(34.411)	(43.292)	(2.364)	3.117	1.878	1.095	1.395	1.165	.544	2.885
DISCOUNTED NCF (16 PCT)	(33.917)	(41.812)	(2.244)	2.907	1.721	.977	1.235	1.014	.465	2.424
DISCOUNTED NCF (18 PCT)	(33.244)	(40.406)	(2.132)	2.715	1.580	.832	1.096	.834	.399	2.043
PAYBACK PERIOD (YEARS)	NO EMPTY									
PROFIT/INVEST.3 PRE-TAX (PCT)	34									
PROFIT/INVEST.3 AFT TAX (PCT)	34									
RATE OF RETURN2 PRE-TAX (PCT)	(15.15)									

CASHFLOW SUMMARY - PAGE 1
\$ MILLIONS CAN.

	1990	1991	ACCUM
D. ORE MILLED (000 S TONS)	0	0	0
D. NET SMELTER RETURN	19.854	0.000	260.432
D. - OPERATING COSTS	16.751	0.000	239.004
0. MINE SITE OPERATING PROFIT	3.103	0.000	21.428
1. -FEDERAL INCOME TAX PAID	.000	0.000	.000
2. -YUKON INCOME TAX PAID	.000	0.000	.000
3. -YUKON ROYALTY PAID	0.000	0.000	0.000
4. TOTAL TAXES PAID	.000	0.000	.000
5. CASH FLOW BEFORE CAPITAL COSTS	3.103	0.000	21.428
6. -PROCESSING FACILITIES	0.000	0.000	39.090
7. -MINING + OTHER EQUIPMENT	0.000	0.000	17.930
8. -TOWNSITE+SOCIAL CAPITAL	0.000	0.000	7.770
10. -PRE-PRODUCTION DEVELOPMENT	0.000	0.000	19.990
19. -WORKING CAPITAL REQUIRED	0.000	0.000	7.657
20. -CAPITALIZED INTEREST	0.000	0.000	0.000
21. INITIAL CAPITAL COSTS	0.000	0.000	92.337
22. *SUSTAINING CAPITAL	0.000	0.000	2.100
23. -ONGOING EXPLORATION	0.000	0.000	0.000
24. *WORKING CAPITAL RECOVERY	0.000	0.000	7.657
24. *SALVAGE	0.000	0.000	0.000
25. TOTAL CAPITAL COSTS	0.000	0.000	86.790
25. CASH FLOW BEFORE FINANCING	3.103	0.000	(65.352)
26. *PRIMARY BANK LOAN DRAWDOWN	0.000	0.000	0.000
28. -SCHEDULED LOAN REPAYMENT	0.000	0.000	0.000
29. -OPTIONAL LOAN REPAYMENT	0.000	0.000	0.000
30. -INTEREST EXPENSE	0.000	0.000	0.000
31. *INTEREST INCOME	0.000	0.000	0.000
32. *OTHER INCOME	0.000	0.000	0.000
33. NET EQUITY CASH AVAILABLE (REQUIRED)	3.103	0.000	(65.352)
ACCUMULATIVE TOTAL	(65.352)	(65.352)	
DISCOUNTED NCF (14 PCT)	.734	0.000	(67.265)
DISCOUNTED NCF (16 PCT)	.606	0.000	(66.523)
DISCOUNTED NCF (18 PCT)	.502	0.000	(65.681)
PAYBACK PERIOD (YEARS)			
PROFIT/INVEST.% PRE-TAX (PCT)			
PROFIT/INVEST.% NET TAX (PCT)			
RATE OF RETURN% PRE-TAX (PCT)			(15.15)
RATE OF RETURN% NET TAX (PCT)			(15.15)

YANGORDA EVALUATION**PRODUCTION STATISTICS**

Lead US34¢/lb Zinc US38¢/lb

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	Accum/Avg
Overburden Moved (000 tons)	4,579	4,176	1,166	1,298	840	0	0	0	0	0	0	12,059
Waste Mined (000 tons)	1,000	1,506	3,868	3,702	4,277	5,332	5,333	5,332	5,333	2,950	1,041	39,674
Total Waste Moved	5,579	5,682	5,034	5,000	5,117	5,332	5,333	5,332	5,333	2,950	1,041	51,733
Ore Milled (000 tons)	0	0	945	945	945	945	945	945	945	945	683	8,243
GRADES												
Lead (PCT)	0.00	0.00	3.07	3.30	3.09	3.00	3.08	3.14	2.93	2.90	2.91	3.05
Zinc (PCT)	0.00	0.00	5.27	5.28	5.12	5.00	5.05	4.81	4.70	4.32	4.23	4.88
Silver (Oz/T) - In Concentrate	0.00	0.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00
Gold (Oz/T) - In Concentrate	0.00	0.00	.15	.15	.15	.15	.15	.15	.15	.15	.15	.15
RECOVERIES (PCT)												
Lead	0.0	0.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0
Zinc	0.0	0.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0
Silver	0.0	0.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Gold	0.0	0.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
PAYABLE PRODUCTION (000% UNITS)												
Lead (lbs)	0	0	48,609	52,250	48,925	47,500	48,767	49,717	46,392	45,917	33,289	421,366
Zinc (lbs)	0	0	78,392	78,541	76,160	74,375	75,119	71,549	69,913	64,260	45,460	633,770
Silver (ozs)	0	0	1,048	1,127	1,055	1,024	1,052	1,072	1,000	990	718	9,086
Gold (ozs)	0	0	6	6	6	5	6	6	5	5	4	49
METAL PRICES (\$CDN/UNIT)												
Lead c/lb	0	0	38.37	38.37	38.37	38.37	38.37	38.37	38.37	38.37	38.37	38.37
Zinc c/lb	0	0	42.89	42.89	42.89	42.89	42.89	42.89	42.89	42.89	42.89	42.89
Silver \$/oz	0	0	7.34	7.34	7.34	7.34	7.34	7.34	7.34	7.34	7.34	7.34
Gold \$/oz	0	0	248.34	248.34	248.34	248.34	248.34	248.34	248.34	248.34	248.34	248.34
REVENUE												
Lead	0	0	18.654	20.051	18.775	18.228	18.714	19.079	17.803	17.621	12.775	161.699
Zinc	0	0	33.625	33.689	32.668	31.902	32.222	30.690	29.988	27.564	19.495	271.845
Silver	0	0	7.692	8.272	7.744	7.516	7.722	7.868	7.340	7.267	5.270	66.691
Gold	0	0	1.490	1.490	1.490	1.242	1.490	1.490	1.242	1.242	.993	12.170
Total Revenue	0	0	61.461	63.502	60.677	58.888	60.148	59.127	56.373	53.694	38.533	512.405

VANGORDA EVALUATION

PRODUCTION STATISTICS

Lead US34¢/lb Zinc 38¢/lb

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	Accum/Avg
Treatment Charge												
Lead	0	0	5.494	5.903	5.529	5.363	5.512	5.618	5.243	5.188	3.762	47.617
Zinc	0	0	13.914	13.941	13.518	13.201	13.333	12.700	12.408	11.406	8.068	112.485
Shipping Insurance	0	0	5.671	5.820	5.576	5.434	5.518	5.385	5.175	4.884	3.487	46.952
Ocean Freight	0	0	2.901	2.977	2.853	2.780	2.823	2.758	2.647	2.499	1.784	24.019
Net Revenue	0	0	33.481	34.859	33.201	32.110	32.962	32.666	30.900	29.717	21.432	281.332

CASHFLOW SUMMARY - PAGE 1
\$ MILLIONS CAN.

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
1. ORE MILLED (000 \$ TONS)	0	0	0	0	0	0	0	0	0	0
2. NET SMELTER RETURN	0.000	0.000	33.481	34.859	33.201	32.110	32.962	32.856	30.900	29.717
3. - OPERATING COSTS	5.356	5.454	26.538	26.507	26.620	26.825	26.827	26.825	26.827	26.474
4. MINE SITE OPERATING PROFIT	(5.356)	(5.454)	6.943	8.352	6.581	5.285	6.135	5.841	4.073	5.243
1. -FEDERAL INCOME TAX PAID	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
2. -YUKON INCOME TAX PAID	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
3. -YUKON ROYALTY PAID	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
4. TOTAL TAXES PAID	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
5. CASH FLOW BEFORE CAPITAL COSTS	(5.356)	(5.454)	6.943	8.352	6.581	5.285	6.135	5.841	4.073	5.243
6. -PROCESSING FACILITIES	15.636	23.454	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
7. -MINING + OTHER EQUIPMENT	7.132	10.698	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
8. -TOWNSITE+SOCIAL CAPITAL	3.108	4.662	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
9. -PRE-PRODUCTION DEVELOPMENT	7.996	11.994	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
10. -WORKING CAPITAL REQUIRED	0.000	0.000	7.657	0.000	0.000	0.000	0.000	0.000	0.000	0.000
11. -CAPITALIZED INTEREST	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
12. INITIAL CAPITAL COSTS	33.872	50.808	7.657	0.000	0.000	0.000	0.000	0.000	0.000	0.000
13. -SUSTAINING CAPITAL	0.000	0.000	.300	.500	.500	.500	.200	.100	0.000	0.000
14. -ONGOING EXPLORATION	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
15. +WORKING CAPITAL RECOVERY	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	7.657
16. +SALVAGE	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
17. TOTAL CAPITAL COSTS	33.872	50.808	7.957	.500	.500	.500	.200	.100	0.000	(7.657)
18. CASH FLOW BEFORE FINANCING	(39.228)	(56.262)	(1.014)	7.852	6.081	4.785	5.935	5.741	4.073	12.900
19. +PRIMARY BANK LOAN DRAWDOWN	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
20. -SCHEDULED LOAN REPAYMENT	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
21. -OPTIONAL LOAN REPAYMENT	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
22. -INTEREST EXPENSE	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
23. +INTEREST INCOME	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
24. +OTHER INCOME	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
25. NET EQUITY CASH AVAILABLE (REQUIRED)	(39.228)	(56.262)	(1.014)	7.852	6.081	4.785	5.935	5.741	4.073	12.900
26. ACCUMULATIVE TOTAL	(39.228)	(55.490)	(96.504)	(88.652)	(82.571)	(77.785)	(71.851)	(66.110)	(62.037)	(49.137)
27. DISCOUNTED NCF (14 PCT)	(34.411)	(43.292)	(.634)	4.649	3.158	2.160	2.372	2.013	1.252	3.480
28. DISCOUNTED NCF (16 PCT)	(33.817)	(41.812)	(.650)	4.337	2.895	1.964	2.100	1.751	1.071	2.924
29. DISCOUNTED NCF (18 PCT)	(33.244)	(40.406)	(.617)	4.050	2.658	1.773	1.863	1.527	.918	2.465
30. PAYBACK PERIOD (YEARS)	NO EQUITY									
31. PROFIT/INVEST. % PRE-TAX (PCT)	54									
32. PROFIT/INVEST. % AFT TAX (PCT)	54									
33. RATE OF RETURN PRE-TAX (PCT)	(9.41)									

CASHFLOW SUMMARY - PAGE 1
 \$ MILLIONS CAN.

	1990	1991	ACCUM
10. ORE MILLED (000 5 TONS)	0	0	0
10. NET SMELTER RETURN	21.432	0.000	281.323
10. - OPERATING COSTS	16.751	0.000	239.004
10. MINE SITE OPERATING PROFIT	4.681	0.000	42.324
11. -FEDERAL INCOME TAX PAID	0.000	0.000	0.000
12. -YUKON INCOME TAX PAID	0.000	0.000	0.000
13. -YUKON ROYALTY PAID	0.000	0.000	0.000
14. TOTAL TAXES PAID	0.000	0.000	0.000
15. CASH FLOW BEFORE CAPITAL COSTS	4.681	0.000	42.324
16. -PROCESSING FACILITIES	0.000	0.000	39.090
17. -MINING & OTHER EQUIPMENT	0.000	0.000	17.830
18. -TOWNSITE+SOCIAL CAPITAL	0.000	0.000	7.770
19. -PRE-PRODUCTION DEVELOPMENT	0.000	0.000	19.990
19. -WORKING CAPITAL REQUIRED	0.000	0.000	7.657
20. -CAPITALIZED INTEREST	0.000	0.000	0.000
21. INITIAL CAPITAL COSTS	0.000	0.000	92.337
22. -SUSTAINING CAPITAL	0.000	0.000	2.100
23. -ONGOING EXPLORATION	0.000	0.000	0.000
24. +WORKING CAPITAL RECOVERY	0.000	0.000	7.657
24. +SALVAGE	0.000	0.000	0.000
25. TOTAL CAPITAL COSTS	0.000	0.000	86.780
25. CASH FLOW BEFORE FINANCING	4.681	0.000	(44.456)
26. +PRIMARY BANK LOAN DRAWDOWN	0.000	0.000	0.000
28. -SCHEDULED LOAN REPAYMENT	0.000	0.000	0.000
29. -OPTIONAL LOAN REPAYMENT	0.000	0.000	0.000
30. +INTEREST EXPENSE	0.000	0.000	0.000
31. +INTEREST INCOME	0.000	0.000	0.000
32. +OTHER INCOME	0.000	0.000	0.000
33. NET EQUITY CASH AVAILABLE (REQUIRED)	4.681	0.000	(44.456)
ACCUMULATIVE TOTAL		(44.456)	(44.456)
DISCOUNTED NCF (14 PCT)	1.108	0.000	(58.175)
DISCOUNTED NCF (16 PCT)	.915	0.000	(58.322)
DISCOUNTED NCF (19 PCT)	.758	0.000	(58.256)
PAYBACK PERIOD (YEARS)			
PROFIT/INVEST.% PRE-TAX (PCT)			
PROFIT/INVEST.% AFT TAX (PCT)			
RATE OF RETURN PRE-TAX (PCT)			(9.41)

 PRODUCTION STATISTICS

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
OVERBURDEN MOVED (000 TONS)	4579	4176	1166	1298	840	0	0	0	0	0
WASTE MINED (000 TONS)	1600	1506	3868	3702	4277	5332	5333	5332	5333	2950
TOTAL WASTE MOVED	5579	5682	5034	5000	5117	5332	5333	5332	5333	2950
ORE MILLED (000 TONS)	0	0	945	945	945	945	945	945	945	945
GRADES										

% LEAD (PCT)	0.00	0.00	3.07	3.30	3.09	3.00	3.08	3.14	2.93	2.98
% ZINC (PCT)	0.00	0.00	5.27	5.28	5.12	5.00	5.05	4.81	4.70	4.32
% SILVER (OZ/T) -IN CONCENTRATE	0.00	0.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00
% GOLD (OZ/T) -IN CONCENTRATE	0.00	0.00	.15	.15	.15	.15	.15	.15	.15	.15
RECOVERIES (PCT)										

% LEAD	80.0	0.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0
% ZINC	0.0	0.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0
% SILVER	0.0	0.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
% GOLD	0.0	0.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
PAYABLE PRODUCTION (000'S UNITS)										

% LEAD (LBS)	0	0	48,609	52,250	48,925	47,500	48,767	49,717	46,392	45,917
% ZINC (LBS)	0	0	78,392	78,541	76,160	74,375	75,119	71,549	69,913	64,260
% SILVER (OZS)	0	0	1,048	1,127	1,055	1,024	1,052	1,072	1,000	990
% GOLD (OZS)	0	0	6	6	6	5	6	6	5	5
METAL PRICES (\$CDN/UNIT)										

% LEAD (1/LB)	0.000	0.000	.444	.444	.444	.444	.444	.444	.444	.444
% ZINC (1/LB)	0.000	0.000	.500	.500	.500	.500	.500	.500	.500	.500
% SILVER (1/OZ)	0.000	0.000	8.880	8.880	8.880	8.880	8.880	8.880	8.880	8.880
% GOLD (1/OZ)	0.000	0.000	277.500	277.500	277.500	277.500	277.500	277.500	277.500	277.500
OPERATING SUMMARY (THOUSANDS \$)										

REVENUE										
% LEAD	0	0	21,582	23,199	21,723	21,090	21,653	22,074	20,598	20,387
% ZINC	0	0	39,196	39,270	38,980	37,188	37,560	35,775	34,956	32,130
% SILVER	0	0	9,308	10,005	9,368	9,095	9,338	9,520	8,883	8,792
% GOLD	0	0	1,558	1,675	1,568	1,523	1,563	1,594	1,487	1,472
GROSS REVENUE (CDN \$)	0	0	71,644	74,149	70,740	68,896	70,113	68,963	65,925	62,781
+GRUM EXTENSION	0	0	0	247	247	248	247	247	0	0
-SMELTER TREATMENT CHARGES	0	0	18,800	19,237	18,457	17,993	18,263	17,765	17,111	16,098
-SHIPPING&INSURANCE&MISC.	0	0	4,868	4,995	4,786	4,645	4,738	4,621	4,443	4,192
-OCEAN FREIGHT	0	0	2,374	2,436	2,334	2,275	2,310	2,254	2,167	2,045
NET REVENUE (CDN \$)	0	0	45,602	47,728	45,410	44,211	45,050	44,570	42,205	40,446
- OPERATING COSTS	5,356	5,454	29,375	29,342	29,455	29,661	29,662	29,660	29,662	27,374
OPERATING PROFIT	-5,356	-5,454	16,227	18,386	15,955	14,550	15,388	14,910	12,543	13,072

PRODUCTION STATISTICS

	1990	1991	ACUM/AVG
OVERBURDEN MOVED (000 TONS)	0	0	12059
WASTE MINED (000 TONS)	1041	0	39674
TOTAL WASTE MOVED	1041	0	51733
ORE MILLED (000 TONS)	643	0	8243
GRADES			
% LEAD (PCT)	2.91	0.00	3.05
% ZINC (PCT)	4.23	0.00	4.88
% SILVER (OZ/T) - IN CONCENTRATE	28.00	28.00	28.00
% GOLD (OZ/T) - IN CONCENTRATE	.15	.15	.15
RECOVERIES (PCT)			
% LEAD	80.0	80.0	80.0
% ZINC	84.0	84.0	84.0
% SILVER	100.0	100.0	100.0
% GOLD	100.0	100.0	100.0
PAYABLE PRODUCTION (000'S UNITS)			
% LEAD (LBS)	33,289	0	421,366
% ZINC (LBS)	45,460	0	633,770
% SILVER (OZS)	718	0	9,086
% GOLD (OZS)	4	0	49
METAL PRICES (CDN/UNIT)			
% LEAD (/LB)	.444	.444	.444
% ZINC (/LB)	.500	.500	.500
% SILVER (/OZ)	8.880	8.880	8.880
% GOLD (/OZ)	277.500	277.500	277.500
OPERATING SUMMARY (THOUSANDS \$)			
REVENUE			
% LEAD	14,740	0	187,047
% ZINC	27,730	0	316,885
% SILVER	6,374	0	80,684
% GOLD	1,067	0	13,507
GROSS REVENUE (CDN \$)	44,951	0	598,162
*GRM EXTENSION	0	0	1,237
-SMELTER TREATMENT CHARGES	11,479	0	155,203
-SHIPPING&INSURANCE&MISC.	2,593	0	40,301
-OCEAN FREIGHT	1,460	0	19,655
NET REVENUE (CDN \$)	29,019	0	344,240
- OPERATING COSTS	18,734	0	263,735
OPERATING PROFIT	10,285	0	120,505

CASHFLOW SUMMARY - PAGE 1
\$ MILLIONS CAN.

	1990	1991	ACCUM
10. ORE MILLED (000 S TONS)	0	0	0
10. NET SMELTER RETURN	29.000	0.000	384.222
10. - OPERATING COSTS	16.751	0.000	239.004
10. MINE SITE OPERATING PROFIT	12.249	0.000	145.218
11. -FEDERAL INCOME TAX PAID	2.561	0.000	10.593
12. -YUKON INCOME TAX PAID	.711	0.000	2.983
13. -YUKON ROYALTY PAID	.660	.478	3.949
14. TOTAL TAXES PAID	3.933	.478	17.525
15. CASH FLOW BEFORE CAPITAL COSTS	8.316	(.478)	127.693
16. +PROCESSING FACILITIES	0.000	0.000	39.090
17. -MINING + OTHER EQUIPMENT	0.000	0.000	17.830
18. -TOWNSITE+SOCIAL CAPITAL	0.000	0.000	7.770
19. -PRE-PRODUCTION DEVELOPMENT	0.000	0.000	19.990
20. -WORKING CAPITAL REQUIRED	0.000	0.000	7.657
20. -CAPITALIZED INTEREST	0.000	0.000	0.000
21. INITIAL CAPITAL COSTS	0.000	0.000	92.337
22. -SUSTAINING CAPITAL	0.000	0.000	2.100
23. -ONGOING EXPLORATION	0.000	0.000	0.000
24. +WORKING CAPITAL RECOVERY	0.000	0.000	7.857
24. +SALVAGE	0.000	0.000	0.000
25. TOTAL CAPITAL COSTS	0.000	0.000	86.780
25. CASH FLOW BEFORE FINANCING	8.316	(.478)	40.913
26. +PRIMARY BANK LOAN DRAWDOWN	0.000	0.000	0.000
27. -SCHEDULED LOAN REPAYMENT	0.000	0.000	0.000
28. -OPTIONAL LOAN REPAYMENT	0.000	0.000	0.000
30. -INTEREST EXPENSE	0.000	0.000	0.000
31. +INTEREST INCOME	0.000	0.000	0.000
32. +OTHER INCOME	0.000	0.000	0.000
33. NET EQUITY CASH AVAILABLE (REQUIRED)	8.316	(.478)	40.913
ACCUMULATIVE TOTAL	41.392	40.913	
DISCOUNTED NCF (14 PCT)	1.968	(.099)	(18.598)
DISCOUNTED NCF (16 PCT)	1.625	(.081)	(22.365)
DISCOUNTED NCF (18 PCT)	1.347	(.066)	(25.493)
PAYBACK PERIOD (YEARS)			
PROFIT/INVEST.& PRE-TAX (PCT)			
PROFIT/INVEST.& AFT TAX (PCT)			
RATE OF RETURN PRE-TAX (PCT)			7.62
RATE OF RETURN AFT TAX (PCT)			7.44

PRODUCTION STATISTICS

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
OVERBURDEN MOVED (000 TDMS)	4579	4176	1166	1298	840	0	0	0	0	0
WASTE MINED (000 TDMS)	1000	1506	3860	3702	4277	5332	5333	5332	5333	2950
TOTAL WASTE MOVED	5579	5682	5034	5000	5117	5332	5333	5332	5333	2950
ORE MILLED (000 TDMS)	0	0	945	945	945	945	945	945	945	945
GRADES										
X LEAD (PCT)	0.00	0.00	3.07	3.30	3.09	3.00	3.08	3.14	2.93	2.90
X ZINC (PCT)	0.00	0.00	5.27	5.28	5.12	5.00	5.05	4.81	4.70	4.32
X SILVER (OZ/T) -IN CONCENTRATE	0.00	0.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00
X GOLD (OZ/T) -IN CONCENTRATE	0.00	0.00	.15	.15	.15	.15	.15	.15	.15	.15
RECOVERIES (PCT)										
X LEAD	0.0	0.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0
X ZINC	0.0	0.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0
X SILVER	0.0	0.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
X GOLD	0.0	0.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
PAYABLE PRODUCTION (000'S UNITS)										
X LEAD (LBS)	0	0	48,609	52,250	48,925	47,500	48,767	49,717	46,392	45,917
X ZINC (LBS)	0	0	78,392	78,541	76,160	74,375	75,119	71,549	69,913	64,260
X SILVER (OZS)	0	0	1,048	1,127	1,055	1,024	1,052	1,072	1,000	990
X GOLD (OZS)	0	0	6	6	6	5	6	6	5	5
METAL PRICES (\$CDN/UNIT)										
X LEAD (\$/LB)	0.000	0.000	.645	.645	.645	.645	.645	.645	.645	.645
X ZINC (\$/LB)	0.000	0.000	.400	.400	.400	.400	.400	.400	.400	.400
X SILVER (\$/OZ)	0.600	0.000	9.720	9.720	9.720	9.720	9.720	9.720	9.720	9.720
X GOLD (\$/OZ)	0.000	0.000	327.880	327.880	327.880	327.880	327.880	327.880	327.880	327.880
OPERATING SUMMARY (THOUSANDS \$)										
REVENUE										
X LEAD	0	0	31,348	33,696	31,552	30,633	31,450	32,062	29,918	29,612
X ZINC	0	0	31,318	31,377	30,426	29,713	30,010	28,584	27,938	25,672
X SILVER	0	0	10,188	10,951	10,254	9,956	10,221	10,420	9,723	9,624
X GOLD	0	0	1,841	1,979	1,853	1,799	1,847	1,883	1,757	1,739
GROSS REVENUE (CDN \$)	0	0	74,694	78,004	74,086	72,101	73,528	72,950	69,329	66,647
+GRM EXTENSION	0	0	0	333	333	333	333	333	0	0
-SMELTER TREATMENT CHARGES	0	0	18,800	19,237	18,457	17,953	18,263	17,765	17,111	16,098
-SHIPPING INSURANCE/MISC.	0	0	4,868	4,995	4,786	4,665	4,738	4,621	4,443	4,192
-OCEAN FREIGHT	0	0	2,374	2,436	2,334	2,275	2,310	2,254	2,167	2,045
NET REVENUE (CDN \$)	0	0	48,652	51,668	48,841	47,502	48,551	48,643	45,609	44,311
- OPERATING COSTS	5,356	5,454	29,375	29,342	29,455	29,661	29,662	29,660	29,662	27,374
OPERATING PROFIT	-5,356	-5,454	19,277	22,326	19,386	17,841	18,889	18,983	15,947	16,937

PRODUCTION STATISTICS

	1990	1991	ACUM/AVG
OVERBURDEN MOVED (000 TONS)	0	0	12059
WASTE MINED (000 TONS)	1041	0	39674
TOTAL WASTE MOVED ORE MILLED (000 TONS)	1041	0	51733
GRADES			
% LEAD (PCT)	2.91	0.00	3.05
% ZINC (PCT)	4.23	0.00	4.88
% SILVER (OZ/T) - IN CONCENTRATE	28.00	28.00	28.00
% GOLD (OZ/T) - IN CONCENTRATE	.15	.15	.15
RECOVERIES (PCT)			
% LEAD	80.0	80.0	80.0
% ZINC	84.0	84.0	84.0
% SILVER	100.0	100.0	100.0
% GOLD	100.0	100.0	100.0
PAYABLE PRODUCTION (000'S UNITS)			
% LEAD (LBS)	33,289	0	421,366
% ZINC (LBS)	45,460	0	633,770
% SILVER (OZS)	718	0	9,086
% GOLD (OZS)	4	0	49
METAL PRICES (\$CON/UNIT)			
% LEAD (1/LB)	.645	.645	.645
% ZINC (1/LB)	.400	.400	.400
% SILVER (1/OZ)	9.720	9.720	9.720
% GOLD (1/OZ)	327.880	327.880	327.880
OPERATING SUMMARY (THOUSANDS \$)			
REVENUE			
% LEAD	21,468	0	271,739
% ZINC	18,161	0	253,191
% SILVER	6,977	0	88,316
% GOLD	1,251	0	15,960
GROSS REVENUE (CON \$)	47,867	0	629,206
+ GRAM EXTENSION	0	0	1,666
- SMELTER TREATMENT CHARGES	11,479	0	155,203
- SHIPPING (INSURANCE) SC.	2,993	0	40,301
- OCEAN FREIGHT	1,460	0	19,655
NET REVENUE (CON \$)	31,956	0	415,713
- OPERATING COSTS	18,735	0	263,735
OPERATING PROFIT	13,201	0	151,978

PRODUCTION STATISTICS

	1990	1991	ACUM/AVG
OVERBURDEN MOVED (000 TONS)	0	0	12059
WASTE MINED (000 TONS)	1041	0	39674
TOTAL WASTE MOVED	1041	0	51733
ORE MILLED (000 TONS)	693	0	8243
GRADES			
% LEAD (PCT)	2.91	0.00	3.05
% ZINC (PCT)	4.23	0.00	4.88
% SILVER (OZ/T) - IN CONCENTRATE	28.00	28.00	28.00
% GOLD (OZ/T) - IN CONCENTRATE	.15	.15	.15
RECOVERIES (PCT)			
% LEAD	80.0	80.0	80.0
% ZINC	84.0	84.0	84.0
% SILVER	100.0	100.0	100.0
% GOLD	100.0	100.0	100.0
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% LEAD (LBS)	33,289	0	421,366
% ZINC (LBS)	45,460	0	633,770
% SILVER (OZS)	718	0	9,086
% GOLD (OZS)	4	0	49
METAL PRICES (CDN/UNIT)			
% LEAD (1/LB)	.645	.645	.645
% ZINC (1/LB)	.400	.400	.400
% SILVER (1/OZ)	9.720	9.720	9.720
% GOLD (1/OZ)	327.880	327.880	327.880
OPERATING SUMMARY (THOUSANDS \$)			
REVENUE			
% LEAD	21,468	0	271,739
% ZINC	18,161	0	253,191
% SILVER	6,977	0	88,316
% GOLD	1,251	0	15,960
GROSS REVENUE (CDN \$)	47,867	0	629,206
+GRUM EXTENSION	0	0	1,666
-SMELTER TREATMENT CHARGES	11,479	0	155,283
-SHIPPING&INSURANCE&MISC.	2,993	0	40,301
-OCEAN FREIGHT	1,460	0	19,655
NET REVENUE (CDN \$)	31,935	0	415,713
- OPERATING COSTS	18,734	0	263,735
OPERATING PROFIT	13,201	0	151,978

CASHFLOW SUMMARY - PAGE 1
\$ MILLIONS CAN.

	1990	1991	ACCUM
10. ORE MILLED (000 S TONS)	0	0	0
10. NET SHELTER RETURN	31.935	0.000	415.712
10. - OPERATING COSTS	16.751	0.000	239.004
10. MINE SITE OPERATING PROFIT	15.184	0.000	176.708
11. -FEDERAL INCOME TAX PAID	3.249	0.000	16.113
12. -YUKON INCOME TAX PAID	.902	0.000	4.815
13. -YUKON ROYALTY PAID	.861	.622	5.527
14. TOTAL TAXES PAID	5.012	.622	26.455
15. CASH FLOW BEFORE CAPITAL COSTS	10.172	(.622)	150.253
16. +PROCESSING FACILITIES	0.000	0.000	39.090
17. -MINING + OTHER EQUIPMENT	0.000	0.000	17.830
16. -TOWNSITE+SOCIAL CAPITAL	0.000	0.000	7.770
18. -PRE-PRODUCTION DEVELOPMENT	0.000	0.000	19.990
19. -WORKING CAPITAL REQUIRED	0.000	0.000	7.657
20. -CAPITALIZED INTEREST	0.000	0.000	0.000
21. INITIAL CAPITAL COSTS	0.000	0.000	92.337
22. -SUSTAINING CAPITAL	0.000	0.000	2.100
23. -ONGOING EXPLORATION	0.000	0.000	0.000
24. +WORKING CAPITAL RECOVERY	0.000	0.000	7.657
24. +SALVAGE	0.000	0.000	0.000
25. TOTAL CAPITAL COSTS	0.000	0.000	86.780
25. CASH FLOW BEFORE FINANCING	10.172	(.622)	63.473
26. +PRIMARY BANK LOAN DRAWDOWN	0.000	0.000	0.000
28. -SCHEDULED LOAN REPAYMENT	0.000	0.000	0.000
29. -OPTIONAL LOAN REPAYMENT	0.000	0.000	0.000
30. -INTEREST EXPENSE	0.000	0.000	0.000
31. +INTEREST INCOME	0.000	0.000	0.000
32. +OTHER INCOME	0.000	0.000	0.000
33. NET EQUITY CASH AVAILABLE (REQUIRED)	10.172	(.622)	63.473
ACCUMULATIVE TOTAL	64.095	63.473	
DISCOUNTED MCF (14 PCT)	2.407	(.129)	(8.309)
DISCOUNTED MCF (16 PCT)	1.988	(.105)	(13.023)
DISCOUNTED MCF (18 PCT)	1.647	(.085)	(16.983)
PAYBACK PERIOD (YEARS)			
PROFIT/INVEST.% PRE-TAX (PCT)			
PROFIT/INVEST.% AFT TAX (PCT)			13.98
RATE OF RETURN PRE-TAX (PCT)			11.15