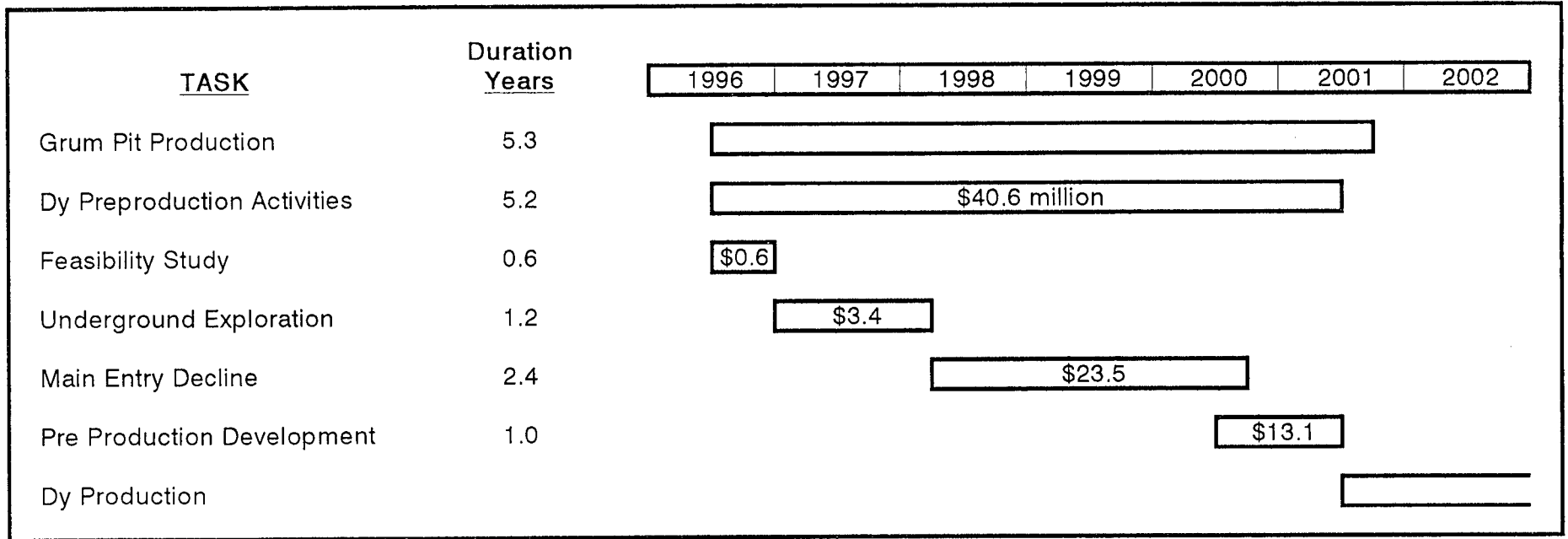


DY UNDERGROUND PROJECT

019649

DY EXPLORATION & DEVELOPMENT



Dy Underground Project

**Zinc Price is US\$ 0.50/lb
and
Lead Price is US\$ 0.35/lb**

Dy Underground Project
Zinc Price is US\$ 0.50/lb and Lead Price is US\$ 0.35/lb

Supplementary Information and Statistics

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2010</u>	<u>2015</u>	<u>1996-2015</u>
Production and Prices													
Tonnes of Open Pit Waste					241,200	979,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	18,020,200
Tonnes of Ore					12.12	12.12	12.12	12.12	12.12	12.12	12.12	12.12	12.12
Ore Grade %Zn plus %Pb													
Zinc Metal Price \$/Lb.	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50
Lead Metal Price \$/Lb.	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35
Silver Metal Price \$/Oz.	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50
Gold Metal Price \$/Oz.	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00
Exchange Rate US\$/CDN\$	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73
Zinc Concentrate (Thousands of tonnes)					24.1	97.8	119.9	122.9	122.9	122.9	122.9	122.9	1,840
Lead Concentrate (Thousand of Tonnes)					16.8	68.1	83.5	84.6	84.6	84.6	84.6	84.6	1,268
Total Concentrate (Thousand of Tonnes)					40.9	166.0	203.4	207.5	207.5	207.5	207.5	207.5	3,107
Payable Metal													
Zinc Metal (Mn Lbs)					23.9	97.2	119.1	122.1	122.1	122.1	122.1	122.1	1,827.1
Lead Metal (Mn Lbs)					22.5	91.3	112.0	113.3	113.3	113.3	113.3	113.3	1,699.3
Silver (000's Oz's)					276.0	1,120.4	1,373.3	1,372.2	1,372.2	1,372.2	1,372.2	1,372.2	20,608.0
Gold (000's Oz's)					1.2	4.8	5.9	5.8	5.8	5.8	5.8	5.8	87.7
Total Payable Metal Lead & Zinc (Mn Lbs)					46.4	188.5	231.1	235.4	235.4	235.4	235.4	235.4	3,526.4
Total Operating Cost (Mn \$)					14.3	58.3	70.9	71.6	71.6	71.6	71.6	71.6	1,073.8
Value of Precious Metals (mn \$)					2.6	11.0	13.5	13.4	13.4	13.4	13.4	13.4	201.8
Total Operating Cost (Includes shipping) Net of Precious Metals (Mn \$)					11.7	47.3	57.4	58.1	58.1	58.1	58.1	58.1	872.0
Cost per Lb of Payable Zinc & Lead Net of Precious Metals													
					In Cdn Dollars	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25
					In US Dollars	\$0.18	\$0.18	\$0.18	\$0.18	\$0.18	\$0.18	\$0.18	\$0.18
Net Smelter Return per Tonne of Zinc Concentrate					395.56	395.56	395.56	395.56	395.56	395.56	395.56	395.56	395.56
Lead Concentrate					568.34	574.42	574.42	572.16	572.16	572.16	572.16	572.16	572.38
Net Smelter Return Weighted Average per/T of Zinc + Lead					466.50	469.00	469.00	467.54	467.54	467.54	467.54	467.54	467.70
Cost per Tonne of Zinc + Lead Concentrate					350.38	351.35	348.46	344.90	344.90	344.90	344.90	344.90	345.55

Dy Underground Project
Zinc Price is US\$ 0.50/lb and Lead Price is US\$ 0.35/lb

Consolidated Statement of Earnings And Retained Earnings

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2010</u>	<u>2015</u>	<u>1996-2015</u>
Net Sales					19,075,955	77,841,568	95,413,567	97,000,852	97,000,852	97,000,852	97,000,852	97,000,852	1,453,342,161
Cost of Sales					(6,030,000)	(24,475,000)	(30,000,000)	(30,000,000)	(30,000,000)	(30,000,000)	(30,000,000)	(30,000,000)	(450,505,000)
Mining cost					(2,440,944)	(9,907,480)	(12,144,000)	(12,144,000)	(12,144,000)	(12,144,000)	(12,144,000)	(12,144,000)	(182,364,424)
Milling cost					(1,331,424)	(5,404,080)	(6,624,000)	(6,624,000)	(6,624,000)	(6,624,000)	(6,624,000)	(6,624,000)	(99,471,504)
Site administration					(712,256)	(3,053,000)	(3,153,000)	(3,453,000)	(3,453,000)	(3,453,000)	(3,453,000)	(3,453,000)	(51,807,256)
Corporate					(91,656)	(372,020)	(456,000)	(456,000)	(456,000)	(456,000)	(456,000)	(456,000)	(6,847,676)
Mines Site Environmental					(3,721,134)	(15,103,606)	(18,513,102)	(18,879,740)	(18,879,740)	(18,879,740)	(18,879,740)	(18,879,740)	(282,774,461)
Marketing and Delivery													
Reclamation Fund													
Total					(14,327,414)	(58,315,186)	(70,890,102)	(71,556,740)	(71,556,740)	(71,556,740)	(71,556,740)	(71,556,740)	(1,073,770,321)
Operating Cash Earning Before The Following					4,748,541	19,526,382	24,523,464	25,444,112	25,444,112	25,444,112	25,444,112	25,444,112	379,571,840
Other Expenses													
Depredation, Depletion & Amortization					(2,029,667)	(3,514,515)	(4,265,273)	(4,765,273)	(5,265,273)	(5,765,273)	(6,690,273)	(3,000,000)	(75,543,000)
Concentrate Facility: Interest Expense													
Working Capital Loan: Interest Expense													
Equipment Lease: Interest Expense													
Total					(2,029,667)	(3,514,515)	(4,265,273)	(4,765,273)	(5,265,273)	(5,765,273)	(6,690,273)	(3,000,000)	(75,543,000)
Earnings Before Tax					2,718,875	16,011,867	20,258,192	20,678,839	20,178,839	19,678,839	18,753,839	22,444,112	304,028,840
Income and Resource Taxes													
Yukon Mining Royalties					(57,252)	(708,727)	(834,974)	(786,127)	(712,907)	(654,145)	(423,895)	(601,644)	(9,137,230)
Federal & Yukon Cash Tax						(1,381,369)	(4,409,899)	(5,550,539)	(6,127,739)	(6,524,660)	(7,258,109)	(7,364,464)	(96,705,441)
Deferred Tax					(1,190,867)	(3,534,675)	(1,846,741)	(844,210)	(102,609)	458,712	1,496,300	(15,160)	15,461
Total					(1,248,119)	(5,624,771)	(7,091,414)	(7,180,876)	(6,943,256)	(6,720,093)	(6,185,703)	(7,981,268)	(105,154,008)
Net Earnings After Tax					1,470,756	10,387,096	13,166,778	13,497,963	13,235,583	12,958,746	12,568,136	14,462,844	198,874,835
Retained Earnings					1,470,756	11,857,852	25,024,629	38,522,593	51,758,176	64,716,922	127,727,780	198,874,835	
Shares Outstanding	16,420,000	16,420,000	16,420,000	16,420,000	16,420,000	16,420,000	16,420,000	16,420,000	16,420,000	16,420,000	16,420,000	16,420,000	
Shares Outstanding (Fully Diluted)	21,120,000	21,120,000	21,120,000	21,120,000	21,120,000	21,120,000	21,120,000	21,120,000	21,120,000	21,120,000	21,120,000	21,120,000	
Earnings Per Share					\$0.090	\$0.633	\$0.802	\$0.822	\$0.806	\$0.789	\$0.765	\$0.881	
Earnings Per Share Fully Diluted					\$0.070	\$0.492	\$0.623	\$0.639	\$0.627	\$0.614	\$0.595	\$0.685	

Dy Underground Project
Zinc Price is US\$ 0.50/lb and Lead Price is US\$ 0.35/lb

Consolidated Statement of Cashflow

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2010</u>	<u>2015</u>	<u>1996-2015</u>
Operating Activities													
Net income					1,470,756	10,387,096	13,166,778	13,497,963	13,235,583	12,958,746	12,568,136	14,462,844	198,874,835
Depreciation, depletion & amortization					2,029,667	3,514,515	4,265,273	4,765,273	5,265,273	5,765,273	6,690,273	3,000,000	75,543,000
Deferred tax					1,190,867	3,534,675	1,846,741	844,210	102,609	(458,712)	(1,496,300)	15,160	(15,461)
Cash from operations					4,691,289	17,436,286	19,278,791	19,107,446	18,603,466	18,265,306	17,762,108	17,478,004	274,402,374
Financing Activities													
Concentrate Financing Facility													
Operating line of credit													
Equipment Leases													
Marketing Contract													
Partners' loan													
Sales of Shares													
Total													
Changes In Working Capital													
Concentrate Receivables					(2,289,115)	(7,051,874)	(2,108,640)	(190,474)					(11,640,102)
Materials & Supplies													
Accounts Payable					1,719,290	5,278,533	1,508,990	79,997					8,586,809
Total					(569,825)	(1,773,341)	(599,650)	(110,478)					(3,053,293)
Investing Activities													
Purchase price													
Mobilization and pre-stripping													
Evaluation and closing													
Reclamation bonds													
Financing fees													
Sustaining					(1,000,000)	(1,000,000)	(1,450,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(42,450,000)
Dy development	(593,000)	(3,400,000)	(8,000,000)	(8,500,000)	(14,500,000)	(5,600,000)							(40,593,000)
Total	(593,000)	(3,400,000)	(8,000,000)	(8,500,000)	(15,500,000)	(6,600,000)	(1,450,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(83,043,000)
Debt Repayment													
Concentrate Facility													
Operating line of credit													
Other loan													
Equipment Leases													
Total													
Net Cash Flow	(593,000)	(3,400,000)	(8,000,000)	(8,500,000)	(11,378,535)	9,062,945	17,229,141	15,996,968	15,603,466	15,265,306	14,762,108	14,478,004	188,308,080
Cumulative Cashflow	(593,000)	(3,993,000)	(11,993,000)	(20,493,000)	(31,871,535)	(22,808,590)	(5,579,449)	10,417,519	26,020,985	41,286,291	115,637,414	188,308,080	
IRR for 11 years of production													29.27%
Present Value Of Net Cash Flows From Operations													
NPV @ discount rate of													
10.0%	(539,091)	(3,349,008)	(9,359,527)	(15,165,141)	(22,230,316)	(17,114,520)	(8,273,246)	(810,543)	5,806,850	11,692,286	33,441,734	46,637,801	
15.0%	(515,652)	(3,086,541)	(8,346,671)	(13,206,573)	(18,863,716)	(14,945,555)	(8,468,483)	(3,239,045)	1,196,434	4,969,784	17,305,023	23,297,000	
Discounted to beginning of 1996	(494,167)	(2,855,278)	(7,484,907)	(11,584,059)	(16,156,837)	(13,121,675)	(8,313,338)	(4,592,954)	(1,568,898)	896,534	8,069,367	10,913,329	

Dy Underground Project
Zinc Price is US\$ 0.50/lb and Lead Price is US\$ 0.35/lb

Consolidated Balance Sheet

Year Ended	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2010	2015
Assets												
Cash and short term Investments	(593,000)	(3,993,000)	(11,993,000)	(20,493,000)	(31,871,535)	(22,808,590)	(5,579,449)	10,417,519	26,020,985	41,286,291	115,637,414	188,306,080
Concentrate Receivables					2,289,115	9,340,988	11,449,628	11,640,102	11,640,102	11,640,102	11,640,102	11,640,102
Materials and Supplies												
Total Current	(593,000)	(3,993,000)	(11,993,000)	(20,493,000)	(29,582,421)	(13,467,602)	5,870,179	22,057,621	37,661,087	52,926,393	127,277,516	199,946,182
DY Property and Equipment					35,993,000	42,593,000	44,043,000	47,043,000	50,043,000	53,043,000	68,043,000	83,043,000
Less Accumulated Depreciation					(2,029,667)	(5,544,182)	(9,809,455)	(14,574,727)	(19,840,000)	(25,605,273)	(58,206,636)	(75,543,000)
Sustaining Investments and Dy Reclamation Bonds	593,000	3,993,000	11,993,000	20,493,000								
Other Non Current assets												
Total non-current	593,000	3,993,000	11,993,000	20,493,000	33,963,333	37,048,818	34,233,545	32,468,273	30,203,000	27,437,727	9,836,364	7,500,000
Total Assets					4,380,912	23,581,216	40,103,724	54,525,894	67,864,087	80,364,121	137,113,880	207,446,182
Liabilities & Shareholders Equity												
Current Liabilities												
Accounts Payable					1,719,290	6,997,822	8,506,812	8,586,809	8,586,809	8,586,809	8,586,809	8,586,809
Operating Loan												
Current Portion of Long Term Debt												
Total Current					1,719,290	6,997,822	8,506,812	8,586,809	8,586,809	8,586,809	8,586,809	8,586,809
Long-Term Debt and Deferred Income												
Equipment Leases												
Concentrate Facility												
Total Long Term Debt												
Deferred Income												
Deferred taxes						4,207,879	6,054,620	6,898,829	7,001,439	6,542,727	281,628	(533,124)
Total liabilities					1,719,290	11,205,701	14,561,432	15,485,638	15,588,248	15,129,536	8,868,437	8,053,685
Shareholders' Equity												
Share Capital												
Retained Earnings					1,470,756	11,857,852	25,024,629	38,522,593	51,758,176	64,716,922	127,727,780	198,874,835
Total Shareholder's Equity					1,470,756	11,857,852	25,024,629	38,522,593	51,758,176	64,716,922	127,727,780	198,874,835
Total Liability and Equity					3,190,045	23,063,553	39,586,061	54,008,231	67,346,424	79,846,458	136,596,217	206,928,519
					1,190,867	517,663	517,663	517,663	517,663	517,663	517,663	517,663
Common Shares Outstanding	16,420,000	16,420,000	16,420,000	16,420,000	16,420,000	16,420,000	16,420,000	16,420,000	16,420,000	16,420,000	16,420,000	16,420,000
Fully Diluted Common Shares	21,120,000	21,120,000	21,120,000	21,120,000	21,120,000	21,120,000	21,120,000	21,120,000	21,120,000	21,120,000	21,120,000	21,120,000
Book Value per Share Fully Diluted					\$0.07	\$0.56	\$1.18	\$1.82	\$2.45	\$3.06	\$6.05	\$9.42
Long Term Debt as a % of Capitalization												
Earnings per share Fully Diluted					\$0.09	\$0.49	\$0.62	\$0.64	\$0.63	\$0.61	\$0.60	\$0.68

Dy Underground Project
 Zinc Price is US\$ 0.50/lb and Lead Price is US\$ 0.35/lb

Reclamation Security Fund

Year Ended	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2010</u>	<u>2015</u>	<u>1996-2015</u>
RST At Closing													
Existing Vangorda Bond (Nesbitt)													
Existing Environmental Trust Fund													
Anvil Water Board Bonds													
RST on Closing													
RST Contributions From Operations													
From 3.0% NSR													
From Tailings Project													
Total From Operations													
RST From All Sources													
RST Value Year End													
Interest @7.0%													
Cummulative Amount													

Dy Underground Project
Zinc Price is US\$ 0.50/lb and Lead Price is US\$ 0.35/lb

Project Summary

Year Ending	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2010	2015	1996-2015
Production													
Tonnes of ore					241,200	979,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	18,020,200
Tonnes of Concentrate					40,892	165,974	203,441	207,470	207,470	207,470	207,470	207,470	3,107,412
Cost per pound of zinc + lead					0.28	0.28	0.27	0.27	0.27	0.27	0.27	0.27	0.27
Cost per tonne of ore					59.40	59.57	59.08	59.63	59.63	59.63	59.63	59.63	59.59
Price													
Zinc, \$US/pound	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50
Lead, \$US/pound	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35
Silver, \$US/oz	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50
Gold, \$US/oz	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00
Exchange rate, US/CDN	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73
Revenue													
Gross sales					29,890,872	121,737,936	149,219,125	151,893,732	151,893,732	151,893,732	151,893,732	151,893,732	2,275,466,447
Treatment charges					(10,814,917)	(43,896,368)	(53,805,558)	(54,892,880)	(54,892,880)	(54,892,880)	(54,892,880)	(54,892,880)	(822,124,286)
Net Revenue					19,075,955	77,841,568	95,413,567	97,000,852	97,000,852	97,000,852	97,000,852	97,000,852	1,453,342,161
Cost Of Sales													
Operating Costs					8,562,600	34,754,500	42,600,000	42,600,000	42,600,000	42,600,000	42,600,000	42,600,000	639,717,100
General & Administrative					2,043,680	8,457,080	9,777,000	10,077,000	10,077,000	10,077,000	10,077,000	10,077,000	151,278,760
Depreciation, depletion, amortization					2,029,667	3,514,515	4,265,273	4,765,273	5,265,273	5,765,273	6,690,273	3,000,000	75,543,000
Concentrate Freight					3,721,134	15,103,606	18,513,102	18,879,740	18,879,740	18,879,740	18,879,740	18,879,740	282,774,461
Earnings Before The Following Items													
Income & Local taxes					2,718,875	16,011,867	20,258,192	20,678,839	20,178,839	19,878,839	18,753,839	22,444,112	304,028,840
Yukon mining royalty					1,190,867	4,916,044	6,256,440	6,394,748	6,230,348	6,065,948	5,781,808	7,379,624	96,016,776
Interest expense					57,252	708,727	834,974	786,127	712,907	654,145	423,895	601,644	9,137,230
Environmental Fund													
Net Earnings From Operations													
					1,470,756	10,387,096	13,166,778	13,497,963	13,235,583	12,958,746	12,568,136	14,462,844	198,874,835
Capital Expenditures													
Purchase price													
Mobilization and pre-stripping													
Evaluation and closing													
Reclamation bonds													
Financing fees													
Sustaining					(1,000,000)	(1,000,000)	(1,450,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(42,450,000)
Dy development	(593,000)	(3,400,000)	(8,000,000)	(8,500,000)	(14,500,000)	(5,600,000)							(40,593,000)
Financial													
Debt repayments													
Change in Inventory, A/C Payable & A/C Receiv					(569,825)	(1,773,341)	(599,650)	(110,478)					(3,053,293)
Project Debt													
Shareholders' equity													
Changes Before non cash items													
	(593,000)	(3,400,000)	(8,000,000)	(8,500,000)	(14,599,069)	2,013,755	11,117,128	10,387,486	10,235,583	9,958,746	9,568,136	11,462,844	112,778,541
Add Deferred Taxes					1,190,867	3,534,675	1,846,741	844,210	102,609	(458,712)	(1,496,300)	15,160	(15,461)
Add Amortization					2,029,667	3,514,515	4,265,273	4,765,273	5,265,273	5,765,273	6,690,273	3,000,000	75,543,000
Cashflow	(593,000)	(3,400,000)	(8,000,000)	(8,500,000)	(11,378,535)	9,062,945	17,229,141	15,996,968	15,603,466	15,265,306	14,762,108	14,478,004	188,308,080
Internal Rate Of Return And Net Present Value Of Cashflows													
IRR on equity - 11 years					29.3%								
NPV @ discount rate of:													
10.0%	(539,091)	(3,349,008)	(9,359,527)	(15,165,141)	(22,230,316)	(17,114,520)	(8,273,246)	(810,543)	5,806,850	11,692,286	33,441,734	48,637,801	
15.0%	(515,652)	(3,086,541)	(8,346,671)	(13,206,573)	(18,863,716)	(14,945,555)	(8,468,483)	(3,239,045)	1,196,434	4,969,784	17,305,023	23,297,000	
20.0%	(494,167)	(2,855,278)	(7,484,907)	(11,584,059)	(16,156,837)	(13,121,675)	(8,313,338)	(4,592,954)	(1,568,898)	896,534	8,089,367	10,913,329	

Dy Underground Project
Zinc Price is US\$ 0.50/lb and Lead Price is US\$ 0.35/lb

Mining Schedules

Mine Life (Years)

Year Ended	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2010</u>	<u>2015</u>	<u>1996-2015</u>
Grum Open Pit Mine													
Open Pit Strip Ratio													
Open Pit Waste (Mt)													
Open Pit (Rom) Ore (Mt)													
O.P. (Rom) Au Gpt													
O.P. (Rom) Ag Gpt													
O.P. (Rom) Pb %													
O.P. (Rom) Zn %													
Total ore & waste													
Open Pit Costs \$'S													
Mining Waste													
Mining Ore													
Administration & Site O/H													
Environment													
Milling													
Dy Underground Mine													
U.G. (ROM) ore (MT)					241,200	979,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	18,020,200
U.G. (ROM) Au gpt					0.680	0.680	0.680	0.680	0.680	0.680	0.680	0.680	0.68
U.G. (ROM) Ag gpt					66.30	66.30	66.30	66.30	66.30	66.30	66.30	66.30	66.30
U.G. (ROM) Pb %					5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
U.G. (ROM) Zn %					6.62	6.62	6.62	6.62	6.62	6.62	6.62	6.62	6.62
U.G. Costs \$'S													
Mining Waste													
Mining Ore @ \$25.00 per tonne					6,030,000	24,475,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	450,505,000
Administration & Site O/H					1,331,424	5,404,080	6,624,000	6,624,000	6,624,000	6,624,000	6,624,000	6,624,000	99,471,504
Environment					91,656	372,020	456,000	456,000	456,000	456,000	456,000	456,000	6,847,676
Milling					2,440,944	9,907,480	12,144,000	12,144,000	12,144,000	12,144,000	12,144,000	12,144,000	182,364,424
L.G. (Rom) Ore (Mt)													
L.G. (Rom) Au Gpt													
L.G. (Rom) Ag Gpt													
L.G. (Rom) Pb %													
L.G. (Rom) Zn %													
L.G. Costs \$'S													
Mining Waste													
Mining Ore													
Administration & Site O/H													
Environment													
Milling													

Dy Underground Project
Zinc Price is US\$ 0.50/lb and Lead Price is US\$ 0.35/lb

Pro Forma Metallurgical Data

YEAR ENDED	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2010	2015	1996-2015
Rom Ore													
Tonnes Mined					241,200	979,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	18,020,200
Mill Tpd (Mt)					670	2,719	3,333	3,333	3,333	3,333	3,333	3,333	2,503
Mill % Avail.	0.930	0.930	0.930	0.930	0.930	0.930	0.930	0.930	0.930	0.930	0.930	0.930	0.93
Mill Tphr @ 12Hr/Day					59	240	295	295	295	295	295	295	221
Mill W.I.													
Mill Tpy					241,200	979,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	18,020,200
Mill Head Grades													
Au gpt					0.680	0.680	0.680	0.680	0.680	0.680	0.680	0.680	0.680
Ag gpt					66.300	66.300	66.300	66.300	66.300	66.300	66.300	66.300	66.300
Pb %					5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Zn %					6.62	6.62	6.62	6.62	6.62	6.62	6.62	6.62	6.62
Metal % Recovery													
Au	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
Ag	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%
Pb	80.00%	81.00%	80.00%	81.00%	81.00%	81.00%	81.00%	82.00%	82.00%	82.00%	82.00%	82.00%	81.87%
Zn	78.00%	80.00%	79.00%	80.00%	80.00%	80.00%	80.00%	82.00%	82.00%	82.00%	82.00%	82.00%	81.73%
Concentrate Grades													
Au gpt in lead					3.42	3.42	3.42	3.38	3.38	3.38	3.38	3.38	3.38
Ag gpt in lead					571.47	571.47	571.47	564.51	564.51	564.51	564.51	564.51	565.43
Pb %	62.0%	63.5%	63.0%	64.0%	64.0%	64.0%	64.0%	64.0%	64.0%	64.0%	64.0%	64.0%	64.00%
Zn %	52.0%	53.0%	52.0%	53.0%	53.0%	53.0%	53.0%	53.0%	53.0%	53.0%	53.0%	53.0%	53.00%
Concentrate Tonnes													
Total Tonnes of Concentrate					40,892	165,974	203,441	207,470	207,470	207,470	207,470	207,470	3,107,412
Pb					16,790	68,148	83,531	84,563	84,563	84,563	84,563	84,563	1,267,781
Zn					24,102	97,826	119,909	122,907	122,907	122,907	122,907	122,907	1,839,631
Metal In "Rom" Ore													
Au grams					164,016	665,720	816,000	816,000	816,000	816,000	816,000	816,000	12,253,736
Ag grams					15,991,560	64,907,700	79,560,000	79,560,000	79,560,000	79,560,000	79,560,000	79,560,000	1,194,739,260
Pb pounds					29,246,224	118,706,687	145,503,600	145,503,600	145,503,600	145,503,600	145,503,600	145,503,600	2,185,003,311
Zn pounds					35,201,818	142,879,685	175,133,424	175,133,424	175,133,424	175,133,424	175,133,424	175,133,424	2,629,949,439
Metal Recovered													
Au grams in lead cono.					57,406	233,002	285,600	285,600	285,600	285,600	285,600	285,600	4,288,808
Ag grams in lead cono.					9,594,936	38,944,620	47,736,000	47,736,000	47,736,000	47,736,000	47,736,000	47,736,000	716,843,556
Pb pounds					23,689,441	96,152,416	117,857,916	119,312,952	119,312,952	119,312,952	119,312,952	119,312,952	1,788,768,150
Zn pounds					28,161,455	114,303,748	140,106,739	143,609,408	143,609,408	143,609,408	143,609,408	143,609,408	2,149,494,242

Dy Underground Project
Zinc Price is US\$ 0.50/lb and Lead Price is US\$ 0.35/lb

Pro Forma Operating Cost Data

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2010</u>	<u>2015</u>	<u>1996-2015</u>
Concentrate Transportation \$/T Concentrate													
Trucking	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	
Barging													
Port handling	\$8.50	\$8.50	\$8.50	\$8.50	\$8.50	\$8.50	\$8.50	\$8.50	\$8.50	\$8.50	\$8.50	\$8.50	
Rail freight													
Ocean freight	\$32.50	\$32.50	\$32.50	\$32.50	\$32.50	\$32.50	\$32.50	\$32.50	\$32.50	\$32.50	\$32.50	\$32.50	
Total	\$91.00	\$91.00	\$91.00	\$91.00	\$91.00	\$91.00	\$91.00	\$91.00	\$91.00	\$91.00	\$91.00	\$91.00	\$91.00
Total Operating Costs, \$S													
Mining waste													
Mining ore					6,030,000	24,475,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	450,505,000
Milling					2,440,944	9,907,480	12,144,000	12,144,000	12,144,000	12,144,000	12,144,000	12,144,000	182,364,424
Administration & site O/H					1,331,424	5,404,080	6,624,000	6,624,000	6,624,000	6,624,000	6,624,000	6,624,000	99,471,504
Environment					91,656	372,020	456,000	456,000	456,000	456,000	456,000	456,000	6,847,676
Concentrate freight					3,721,134	15,103,606	18,513,102	18,879,740	18,879,740	18,879,740	18,879,740	18,879,740	282,774,461
H.O. & marketing					712,256	3,053,000	3,153,000	3,453,000	3,453,000	3,453,000	3,453,000	3,453,000	51,807,256
Total					14,327,414	58,315,186	70,890,102	71,556,740	71,556,740	71,556,740	71,556,740	71,556,740	1,073,770,321
Operating Costs, \$/T Ore													
Mining waste													
Mining ore					25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00
Milling					10.12	10.12	10.12	10.12	10.12	10.12	10.12	10.12	10.12
Administration & site O/H					5.52	5.52	5.52	5.52	5.52	5.52	5.52	5.52	5.52
Environment					0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38
Concentrate freight					15.43	15.43	15.43	15.73	15.73	15.73	15.73	15.73	15.69
H.O. & marketing					2.95	3.12	2.63	2.88	2.88	2.88	2.88	2.88	2.87
Total					59.40	59.57	59.08	59.63	59.63	59.63	59.63	59.63	59.59
Operating Costs, \$/Lb Of Combined Zinc & Lead													
Mining waste													
Mining ore					\$0.116	\$0.116	\$0.116	\$0.114	\$0.114	\$0.114	\$0.114	\$0.114	0.11
Milling					\$0.047	\$0.047	\$0.047	\$0.046	\$0.046	\$0.046	\$0.046	\$0.046	0.05
Administration & site O/H					\$0.026	\$0.026	\$0.026	\$0.025	\$0.025	\$0.025	\$0.025	\$0.025	0.03
Environment					\$0.002	\$0.002	\$0.002	\$0.002	\$0.002	\$0.002	\$0.002	\$0.002	0.00
Concentrate freight					\$0.072	\$0.072	\$0.072	\$0.072	\$0.072	\$0.072	\$0.072	\$0.072	0.07
H.O. & marketing					\$0.014	\$0.015	\$0.012	\$0.013	\$0.013	\$0.013	\$0.013	\$0.013	0.01
Total					\$0.276	\$0.277	\$0.275	\$0.272	\$0.272	\$0.272	\$0.272	\$0.272	0.27

Dy Underground Project
Zinc Price is US\$ 0.50/lb and Lead Price is US\$ 0.35/lb

Net Revenue, Prices & Smelter Charges

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2010	2015	1996-2015
Metal Prices:													
Au \$U.S./OZ	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00
Ag \$U.S./OZ	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50
Pb \$U.S./LB	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35
Zn \$U.S./T	\$1,102	\$1,102	\$1,102	\$1,102	\$1,102	\$1,102	\$1,102	\$1,102	\$1,102	\$1,102	\$1,102	\$1,102	\$1,102
Lead Smelter Charges & Returns:													
Tonnes of Concentrate					16,790	68,148	83,531	84,563	84,563	84,563	84,563	84,563	1,267,781
Pb grade %	62.0%	63.5%	63.0%	64.0%	64.0%	64.0%	64.0%	64.0%	64.0%	64.0%	64.0%	64.0%	64.0%
Au grade grams per tonne					3.42	3.42	3.42	3.38	3.38	3.38	3.38	3.38	3.38
Ag grade grams per tonne					571.47	571.47	571.47	564.51	564.51	564.51	564.51	564.51	565.4
Pb Smelter Charges													
Base TC \$'s per tonne Cono.	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00
Scale increases	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50
Gold Refining (none)													
Silver Refining (Pay 95% MD 35gpt, plus \$0.30/c)					5.17	5.17	5.17	5.11	5.11	5.11	5.11	5.11	5.11
Shipping	23.73	23.73	23.73	23.73	23.73	23.73	23.73	23.73	23.73	23.73	23.73	23.73	23.73
Total Smelter Charges	191.23	191.23	191.23	191.23	196.40	196.40	196.40	196.33	196.33	196.33	196.33	196.33	196.33
Pb Smelter Returns													
Pb payable					7,876,739	31,970,678	39,187,757	39,671,557	39,671,557	39,671,557	39,671,557	39,671,557	594,765,410
Au payable					470,098	1,908,068	2,338,796	2,326,860	2,326,860	2,326,860	2,326,860	2,326,860	34,966,146
Ag payable					1,518,165	6,464,771	7,924,132	7,917,749	7,917,749	7,917,749	7,917,749	7,917,749	118,837,810
Gross payable					9,865,002	40,343,517	49,450,685	49,916,166	49,916,166	49,916,166	49,916,166	49,916,166	748,569,366
Less smelter charges					(2,899,166)	(11,767,343)	(14,423,710)	(14,596,096)	(14,596,096)	(14,596,096)	(14,596,096)	(14,596,096)	(218,839,466)
Less shipping					(398,338)	(1,616,801)	(1,981,779)	(2,006,245)	(2,006,245)	(2,006,245)	(2,006,245)	(2,006,245)	(30,078,107)
					6,567,499	28,959,373	33,045,197	33,313,825	33,313,825	33,313,825	33,313,825	33,313,825	499,651,793
Less commissions @ 0% of net smelter													
Net Lead Smelter Return \$Us (Including Shipping)					6,567,499	28,959,373	33,045,197	33,313,825	33,313,825	33,313,825	33,313,825	33,313,825	499,651,793
Net Lead Smelter Return \$Us (Shipping Out)					6,965,836	28,576,174	35,026,975	35,320,070	35,320,070	35,320,070	35,320,070	35,320,070	529,729,900
Zinc Smelter Charges & Returns:													
Tonnes of Concentrate					24,102	97,826	119,909	122,907	122,907	122,907	122,907	122,907	1,839,631
Zn grade %	52.0%	53.0%	52.0%	53.0%	53.0%	53.0%	53.0%	53.0%	53.0%	53.0%	53.0%	53.0%	53.0%
Zn Smelter Charges													
Base TC per tonne of conc.	190.00	190.00	190.00	190.00	190.00	190.00	190.00	190.00	190.00	190.00	190.00	190.00	190.00
Scale increases	12.28	12.28	12.28	12.28	12.28	12.28	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Hg penalty	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Shipping	207.28	207.28	207.28	207.28	207.28	207.28	207.28	207.28	207.28	207.28	207.28	207.28	207.28
Shipping	23.73	23.73	23.73	23.73	23.73	23.73	23.73	23.73	23.73	23.73	23.73	23.73	23.73
Total Zn Smelter Charges	231.00	231.00	231.00	231.00	231.00	231.00	231.00	231.00	231.00	231.00	231.00	231.00	231.00
Zinc Smelter Returns													
Zn payable					11,955,334	48,525,176	59,479,276	60,966,258	60,966,258	60,966,258	60,966,258	60,966,258	912,521,140
Less smelter charges					(4,995,724)	(20,277,005)	(24,854,348)	(25,475,707)	(25,475,707)	(25,475,707)	(25,475,707)	(25,475,707)	(381,311,262)
					6,959,611	28,248,171	34,624,928	35,490,551	35,490,551	35,490,551	35,490,551	35,490,551	531,209,878
Less shipping					(571,815)	(2,320,925)	(2,844,851)	(2,915,973)	(2,915,973)	(2,915,973)	(2,915,973)	(2,915,973)	(43,645,235)
					6,387,795	25,927,246	31,780,077	32,574,579	32,574,579	32,574,579	32,574,579	32,574,579	487,564,643
Less commissions @ 0% of net smelter													
Net Zinc Smelter Return \$Us (Including Shipping)					6,387,795	25,927,246	31,780,077	32,574,579	32,574,579	32,574,579	32,574,579	32,574,579	487,564,643
NSR bases Zn + Pb \$CDN					17,746,978	72,447,423	88,801,744	90,258,087	90,258,087	90,258,087	90,258,087	90,258,087	1,352,351,282
Net Zinc Smelter Return \$Us (Shipping Out)					6,959,611	28,248,171	34,624,928	35,490,551	35,490,551	35,490,551	35,490,551	35,490,551	531,209,878

Dy Underground Project
Zinc Price is US\$ 0.50/lb and Lead Price is US\$ 0.35/lb

Net Revenue, Prices & Smelter Charges Continued

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2010	2015	1996-2015
Lead Concentrate (tonnes)					16,790	68,148	83,531	84,563	84,563	84,563	84,563	84,563	1,267,781
Base Price \$U.S./LB	\$0.28	\$0.28	\$0.28	\$0.28	\$0.28	\$0.28	\$0.28	\$0.28	\$0.28	\$0.28	\$0.28	\$0.28	
Base TC \$U.S./T	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	
Scale \$U.S. Up/o	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	
Scale \$U.S. Down/o													
% Payable Metal	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	
Lead													
Gross Pb Rev \$U.S.					7,876,739	31,970,678	39,187,757	39,671,557	39,671,557	39,671,557	39,671,557	39,671,557	594,765,410
Pb Smelter Charges					2,812,288	11,414,719	13,991,484	14,164,219	14,164,219	14,164,219	14,164,219	14,164,219	212,353,336
Net Pb Revenue \$U.S.					5,064,451	20,555,959	25,196,273	25,507,338	25,507,338	25,507,338	25,507,338	25,507,338	382,412,074
Gold													
Gross Sales					738,253	2,996,473	3,672,899	3,672,899	3,672,899	3,672,899	3,672,899	3,672,899	55,155,305
Au in Pb Concentrate (grams)					57,406	233,002	285,600	285,600	285,600	285,600	285,600	285,600	4,288,808
Deduct 1 gpt of Con (grams)					16,790	68,148	83,531	84,563	84,563	84,563	84,563	84,563	1,267,781
Pay 90% of Net (grams)					36,554	148,369	181,862	180,934	180,934	180,934	180,934	180,934	2,718,924
Smelter Charges \$US					266,585	1,082,035	1,326,294	1,338,270	1,338,270	1,338,270	1,338,270	1,338,270	20,072,417
Au REV IN Pb Con \$US					471,668	1,914,438	2,346,605	2,334,629	2,334,629	2,334,629	2,334,629	2,334,629	35,082,888
Silver													
Gross Sales					1,702,327	6,909,529	8,469,290	8,469,290	8,469,290	8,469,290	8,469,290	8,469,290	
Ag in Pb Concentrate (grams)					9,594,936	38,944,620	47,736,000	47,736,000	47,736,000	47,736,000	47,736,000	47,736,000	716,843,556
Deduct 35gpt of Con (grams)					587,642	2,385,165	2,923,594	2,959,688	2,959,688	2,959,688	2,959,688	2,959,688	44,372,339
Pay 100% of Net					9,007,294	36,559,455	44,812,406	44,776,313	44,776,313	44,776,313	44,776,313	44,776,313	672,471,217
Refining Charge @ \$.30/oz					86,877	352,624	432,225	431,877	431,877	431,877	431,877	431,877	6,486,131
Smelter Charges \$US					191,136	775,798	950,927	956,983	956,983	956,983	956,983	956,983	14,358,642
Ag REV IN Pb Con \$US					1,511,191	6,133,731	7,518,363	7,512,307	7,512,307	7,512,307	7,512,307	7,512,307	112,823,279
Zinc Concentrate (tonnes)					24,102	97,826	119,909	122,907	122,907	122,907	122,907	122,907	1,839,631
Base Price \$U.S./T Metal	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	
Base TC \$U.S./T Con	\$190.00	\$190.00	\$190.00	\$190.00	\$190.00	\$190.00	\$190.00	\$190.00	\$190.00	\$190.00	\$190.00	\$190.00	
Scale \$U.S. Up/o	\$0.12	\$0.12	\$0.12	\$0.12	\$0.12	\$0.12	\$0.12	\$0.12	\$0.12	\$0.12	\$0.12	\$0.12	
Scale \$U.S. Down/o	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11	
% Payable Metal	0.846	0.849	0.846	0.849	0.849	0.849	0.849	0.849	0.849	0.849	0.849	0.849	
Iron and Mercury Penalty/T Con	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
Zinc													
Gross Revenue \$U.S.					11,955,334	48,525,176	59,479,276	60,966,258	60,966,258	60,966,258	60,966,258	60,966,258	912,521,140
Zn Smelter Charges					4,875,215	19,787,875	24,254,801	24,861,171	24,861,171	24,861,171	24,861,171	24,861,171	372,113,109
Hg Penalty					120,509	489,131	599,547	614,536	614,536	614,536	614,536	614,536	9,198,153
Net Zn Revenue \$U.S.					6,959,611	28,248,171	34,624,928	35,490,551	35,490,551	35,490,551	35,490,551	35,490,551	531,209,878

Dy Underground Project
Zinc Price is US\$ 0.50/lb and Lead Price is US\$ 0.35/lb

Federal & Provincial Taxes

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2010</u>	<u>2015</u>	<u>1996-2015</u>
1. Assets (000'S)													
- Depreciation Is In Accordance With CCA Rates													
- Depreciation At 50% Of Rate In Year Of Purchase													
Mine Development, Studies, Permitting, Haulway	593,000	3,400,000	8,000,000	8,500,000	14,500,000	5,600,000							40,593,000
Mine Equipment													
Plant & Equipment Including Tailings Ponds					1,000,000	1,000,000	1,450,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	42,450,000
Sustaining Capital													
Roads, Tanks, Ports, Office & Camp													
Total					\$15,500,000	\$6,600,000	\$1,450,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	62,550,000
Sustaining Capital Depreciated At 25% Per Year	25%												
CDE Costs Annual Rate Of Write-Off Annual Write-Off	30%												
Nbv - Predevelopment Costs													
Other Assets													
Partners Loan Fees													
Concentrate Facility Fees													
Deferred Income													
Total Other Assets													
2. Taxes (Federal And Provincial)													
Federal And Provincial Corporate Taxes													
Resource Allowance (Federal) Yukon Mineral Tax (Cur. Proceeds)													
Capital Tax													
3. Interest Expenses	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2010</u>	<u>2015</u>	<u>1996-2015</u>
Per Project Summary													
4. Depreciation													
Years													
Mine Development	10				1,863,000	3,181,182	3,690,273	3,690,273	3,690,273	3,690,273	3,690,273	3,690,273	40,593,000
Mine Equipment	10												
Plant & Equipment	10												
Roads & Tank Port	10												
Sustaining Capital	6				166,667	333,333	575,000	1,075,000	1,575,000	2,075,000	3,000,000	3,000,000	34,950,000
Total Depreciation					2,029,667	3,514,515	4,265,273	4,765,273	5,265,273	5,765,273	6,690,273	3,000,000	75,543,000
5. Depreciation Other Assets													
Partners Loan Fees													
Concentrate Facility Fees													
Deferred Income													

Dy Underground Project
Zinc Price is US\$ 0.50/lb and Lead Price is US\$ 0.35/lb

Federal And Provincial Corporate Taxes Payable

Federal	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2010</u>	<u>2015</u>	<u>1996-2015</u>
Net Operating Profit					4,748,541	19,526,382	24,523,464	25,444,112	25,444,112	25,444,112	25,444,112	25,444,112	379,571,840
Add Back (Deduct)													
Capital Cost Allowance					(2,029,667)	(333,333)	(575,000)	(1,075,000)	(1,575,000)	(2,075,000)	(3,000,000)	(3,000,000)	(36,813,000)
					(2,029,667)	(333,333)	(575,000)	(1,075,000)	(1,575,000)	(2,075,000)	(3,000,000)	(3,000,000)	(36,813,000)
Income (Losses) For Tax Purposes					2,718,875	19,193,049	23,948,464	24,369,112	23,869,112	23,369,112	22,444,112	22,444,112	342,758,840
Less:													
Resource Allowance					679,719	4,798,262	5,987,116	6,092,278	5,967,278	5,842,278	5,611,028	5,611,028	85,689,710
Predevelopment Costs					1,863,000	3,181,182	3,690,273	3,690,273	3,690,273	3,690,273	3,690,273	3,690,273	40,593,000
Income (Loss) After Resource Allowance					1,535,593	11,213,605	14,271,076	14,586,561	14,211,561	13,836,561	13,142,811	16,833,084	217,835,567
Taxable Income After Losses Carried Forward					1,535,593	11,213,605	14,271,076	14,586,561	14,211,561	13,836,561	13,142,811	16,833,084	217,835,567
Deduct:													
Interest Expense													
Income (Loss) For Corp. Tax Purposes					1,535,593	11,213,605	14,271,076	14,586,561	14,211,561	13,836,561	13,142,811	16,833,084	217,835,567
Losses Carried Forward													
Combined Fed. & Prov. Corporate Taxes:						4,916,044	6,256,440	6,394,748	6,230,348	6,065,948	5,761,808	7,379,624	
- Deferred													
- Actual Tax					673,204	1,381,369	4,409,699	5,550,539	6,127,739	6,524,660	7,258,109	7,364,464	96,705,441
- Accumulated Tax Pool					673,204	4,207,879	6,054,620	6,898,829	7,001,439	6,542,727	281,628	(533,124)	
- Tax Payable					673,204	4,916,044	6,256,440	6,394,748	6,230,348	6,065,948	5,761,808	7,379,624	95,499,113

Dy Underground Project
Zinc Price is US\$ 0.50/lb and Lead Price is US\$ 0.35/lb

Tax Pools -- No Successor Pools
05-Jun-96

Canadian Dollars	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2010</u>	<u>2015</u>	<u>1996-2015</u>
CCA, CCE, CDE, and Loss Carryforwards													
. CCA Schedule -- Class 41a Preproduction													
Opening balance (UCC)													
Additions to pool													
Balance before CCA													
Maximum allowable CCA at 100%													
CCA actually claimed													
Closing balance (UCC)													
Accumulated CCA													
. CCA Schedule -- Class 41b													
Opening UCC						750,000	1,312,500	2,071,875	3,803,906	5,102,930	8,075,207	8,780,542	
Additions to pool					1,000,000	1,000,000	1,450,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	42,450,000
Balance before CCA					1,000,000	1,750,000	2,762,500	5,071,875	6,803,906	8,102,930	11,075,207	11,780,542	
Maximum allowable CCA at 25%					250,000	437,500	690,625	1,267,969	1,700,977	2,025,732	2,768,802	2,945,136	
CCA actually claimed					250,000	437,500	690,625	1,267,969	1,700,977	2,025,732	2,768,802	2,945,136	33,614,593
Closing balance (UCC)					750,000	1,312,500	2,071,875	3,803,906	5,102,930	6,077,197	8,306,405	8,835,407	
Accumulated CCA					250,000	687,500	1,378,125	2,646,094	4,347,070	6,372,803	19,143,595	33,614,593	
. Net CCA Claimed													
Closing UCC Balance					750,000	1,312,500	2,071,875	3,803,906	5,102,930	6,077,197	8,306,405	8,835,407	
. Canadian Development Expenditure													
Opening balance depletables		593,000	3,993,000	11,993,000	20,493,000	31,619,094	26,053,366	18,237,356	12,766,149	8,936,304	1,501,925	252,428	
Additions to pool	593,000	3,400,000	8,000,000	8,500,000	14,500,000	5,600,000							40,593,000
Balance before CDE	593,000	3,993,000	11,993,000	20,493,000	34,993,000	37,219,094	26,053,366	18,237,356	12,766,149	8,936,304	1,501,925	252,428	
CDE expense @ 30% of Balance	177,900	1,197,900	3,597,900	6,147,900	10,497,900	11,165,728	7,816,010	5,471,207	3,829,845	2,680,891	450,577	75,729	
CDE actually claimed					3,373,906	11,165,728	7,816,010	5,471,207	3,829,845	2,680,891	450,577	75,729	40,416,300
Closing balance depletables	593,000	3,993,000	11,993,000	20,493,000	31,619,094	26,053,366	18,237,356	12,766,149	8,936,304	6,255,413	1,051,347	176,700	
Accumulated CDE					3,373,906	14,539,634	22,355,644	27,826,851	31,656,696	34,337,587	39,541,653	40,416,300	
. Canadian Exploration Expenditures													
Opening Balance CEE													
Additions													
CEE Available													
CEE Claimed													
Closing Balance CEE													
. Loss Carryforward													
Opening balance of loss carryforwards													
Taxable resource profits (pre-tax)						3,150,933	10,058,620	12,660,900	13,977,507	14,882,893	16,555,905	16,798,504	
Loss carryforward claimed													
Current year's losses													
Closing balance of loss carryforwards													

Dy Underground Project
Zinc Price is US\$ 0.50/lb and Lead Price is US\$ 0.35/lb

Tax Calculations – Does not include Initial Successor Pools
05-Jun-96

Canadian Dollars	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2010	2015	1996-2015
Federal Income Tax Calculation													
Calculation of Resource Profits (000)													
Operating cashflow					\$4,748,541	\$19,526,382	\$24,523,464	\$25,444,112	\$25,444,112	\$25,444,112	\$25,444,112	\$25,444,112	379,571,840
Less: capital cost allowance					\$250,000	\$437,500	\$690,625	\$1,267,969	\$1,700,977	\$2,025,732	\$2,768,802	\$2,945,136	33,614,593
Equals: resource profits					\$4,498,541	\$19,088,882	\$23,832,839	\$24,176,143	\$23,743,135	\$23,418,379	\$22,675,310	\$22,498,976	345,957,247
Less: resource allowance					\$1,124,635	\$4,772,221	\$5,958,210	\$6,044,036	\$5,935,784	\$5,854,595	\$5,668,827	\$5,624,744	86,489,312
Less: interest expense													
Revised resource profits					\$3,373,906	\$14,316,662	\$17,874,630	\$18,132,107	\$17,807,351	\$17,563,784	\$17,006,482	\$16,874,232	259,467,935
Less: CDE					\$3,373,906	\$11,165,728	\$7,816,010	\$5,471,207	\$3,829,845	\$2,680,891	\$450,577	\$75,729	40,416,300
Less: CEE													
Equals: taxable profits						\$3,150,933	\$10,058,620	\$12,660,900	\$13,977,507	\$14,882,893	\$16,555,905	\$16,798,504	219,051,635
Less: prior years losses													
Taxable income						\$3,150,933	\$10,058,620	\$12,660,900	\$13,977,507	\$14,882,893	\$16,555,905	\$16,798,504	219,051,635
Current Income Taxes						\$1,381,369	\$4,409,699	\$5,550,539	\$6,127,739	\$6,524,660	\$7,258,109	\$7,364,464	96,032,237
Basic Federal Tax Rate	28.8%	28.8%	28.8%	28.8%	28.8%	28.8%	28.8%	28.8%	28.8%	28.8%	28.8%	28.8%	
Basic Federal Tax						\$908,729	\$2,900,906	\$3,651,404	\$4,031,113	\$4,292,226	\$4,774,723	\$4,844,688	63,174,492
Yukon Income Tax Rate	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	
Basic Yukon Tax						\$472,640	\$1,508,793	\$1,899,135	\$2,096,626	\$2,232,434	\$2,483,386	\$2,519,776	32,857,745
Yukon Mining Tax													
Resource profits					\$4,748,541	\$19,526,382	\$24,523,464	\$25,444,112	\$25,444,112	\$25,444,112	\$25,444,112	\$25,444,112	379,571,840
Less: depreciation @15% SL					\$298,507	\$514,925	\$962,687	\$1,410,448	\$1,858,209	\$4,656,716	\$1,791,045	\$1,791,045	34,345,522
Less: income taxes payable					\$1,381,369	\$4,409,699	\$5,550,539	\$6,127,739	\$6,524,660	\$7,258,109	\$7,364,464	\$7,364,464	96,032,237
Less: pre-production expenses	\$0												
Net Resource Profit					\$4,748,541	\$17,846,506	\$19,598,840	\$18,930,886	\$17,905,925	\$17,061,242	\$13,529,287	\$16,288,603	249,194,081
Less: processing allowance					\$3,086,552	\$5,200,000	\$5,200,000	\$5,200,000	\$5,200,000	\$5,200,000	\$5,200,000	\$5,200,000	81,086,552
Equals: Taxable Mining Profits					\$1,661,989	\$12,646,506	\$14,398,840	\$13,730,886	\$12,705,925	\$11,861,242	\$8,329,287	\$11,088,603	168,107,529
Average Rate of Mining Tax					3.44%	5.60%	5.80%	5.73%	5.61%	5.51%	5.09%	5.43%	5.44%
Yukon Mining Tax					\$57,252	\$708,727	\$834,974	\$786,127	\$712,907	\$654,145	\$423,895	\$601,644	9,137,230
Straight Line Depreciation													
Opening Balance: Assets						\$1,000,000	\$1,701,493	\$2,636,567	\$4,673,881	\$6,263,433	\$3,940,299	\$15,134,328	
Asset Additions													
Available Credits					\$1,000,000	\$2,000,000	\$3,151,493	\$5,636,567	\$7,673,881	\$9,263,433	\$9,940,299	\$16,925,373	
Max 15% Depr'n Based On Cost					\$149,254	\$298,507	\$514,925	\$962,687	\$1,410,448	\$1,858,209	\$4,656,716	\$1,791,045	
Credits Used						\$298,507	\$514,925	\$962,687	\$1,410,448	\$1,858,209	\$4,656,716	\$1,791,045	34,345,522
Closing Balance: Assets					\$1,000,000	\$1,701,493	\$2,636,567	\$4,673,881	\$6,263,433	\$7,405,224	\$5,283,582	\$15,134,328	
Processing Allowance													
Opening Processing Assets	\$65,000,000	\$65,000,000	\$65,000,000	\$65,000,000	\$65,000,000	\$65,000,000	\$65,000,000	\$65,000,000	\$65,000,000	\$65,000,000	\$65,000,000	\$65,000,000	
Plus: Mill Improvements													
Closing Processing Assets	\$65,000,000	\$65,000,000	\$65,000,000	\$65,000,000	\$65,000,000	\$65,000,000	\$65,000,000	\$65,000,000	\$65,000,000	\$65,000,000	\$65,000,000	\$65,000,000	
Allowance @ 8% of pro. assets	\$5,200,000	\$5,200,000	\$5,200,000	\$5,200,000	\$5,200,000	\$5,200,000	\$5,200,000	\$5,200,000	\$5,200,000	\$5,200,000	\$5,200,000	\$5,200,000	
Maximum at 65% of profits					\$3,086,552	\$11,600,229	\$12,739,246	\$12,305,076	\$11,638,851	\$11,089,808	\$8,794,036	\$10,587,592	
Allowance actually claimed					\$3,086,552	\$5,200,000	\$5,200,000	\$5,200,000	\$5,200,000	\$5,200,000	\$5,200,000	\$5,200,000	81,086,552

Dy Underground Project
Zinc Price is US\$ 0.50/lb and Lead Price is US\$ 0.35/lb

Yukon Mining Tax Depreciation
05-Jun-96

Canadian Dollars	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2010</u>	<u>2015</u>	<u>1996-2015</u>
Initial Pools											\$0	\$0	
Allowable													
Used												(\$0)	(0)
Remaining											\$0	\$0	
1994 Pool											\$0	\$0	
Allowable													
Used												(\$0)	(0)
Remaining											\$0	\$0	
1995 Pool											\$0	\$0	
Allowable													
Used												(\$0)	(0)
Remaining											\$0	\$0	
1996 Pool											\$0	\$0	
Allowable													
Used												(\$0)	(0)
Remaining											\$0	\$0	
1997 Pool											\$0	\$0	
Allowable													
Used												(\$0)	(0)
Remaining											\$0	\$0	
1998 Pool											\$0	\$0	
Allowable													
Used												(\$0)	(0)
Remaining											\$0	\$0	
1999 Pool											\$0	\$0	
Allowable													
Used												(\$0)	(0)
Remaining											\$0	\$0	
2000 Pool					\$1,000,000	\$1,000,000	\$850,746	\$701,493	\$552,239	\$402,985		\$0	
Allowable					\$149,254	\$149,254	\$149,254	\$149,254	\$149,254	\$149,254		\$0	
Used					\$149,254	\$149,254	\$149,254	\$149,254	\$149,254	\$149,254		(\$0)	1,000,000
Remaining					\$1,000,000	\$850,746	\$701,493	\$552,239	\$402,985	\$253,731		\$0	
2001 Pool						\$1,000,000	\$850,746	\$701,493	\$552,239	\$402,985		\$0	
Allowable						\$149,254	\$149,254	\$149,254	\$149,254	\$149,254		\$0	
Used						\$149,254	\$149,254	\$149,254	\$149,254	\$149,254		(\$0)	1,000,000
Remaining						\$850,746	\$701,493	\$552,239	\$402,985	\$253,731		\$0	
2002 Pool							\$1,450,000	\$1,233,582	\$1,017,164	\$800,746		\$0	
Allowable							\$216,418	\$216,418	\$216,418	\$216,418		\$0	
Used							\$216,418	\$216,418	\$216,418	\$216,418		(\$0)	1,450,000
Remaining							\$1,233,582	\$1,017,164	\$800,746	\$584,328		\$0	
2003 Pool								\$3,000,000	\$2,552,239	\$2,104,478		\$0	
Allowable								\$447,761	\$447,761	\$447,761		\$0	
Used								\$447,761	\$447,761	\$447,761		(\$0)	3,000,000
Remaining								\$2,552,239	\$2,104,478	\$1,656,716		\$0	

Dy Underground Project
Zinc Price is US\$ 0.50/lb and Lead Price is US\$ 0.35/lb

Yukon Mining Tax Depreciation Continued
05-Jun-96

Canadian Dollars	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2010</u>	<u>2015</u>	<u>1996-2015</u>
2004 Pool									\$3,000,000	\$2,552,239	\$313,433	\$0	
Allowable									\$447,761	\$447,761	\$313,433	\$0	
Used									\$447,761	\$447,761	\$313,433	(\$0)	3,000,000
Remaining									\$2,552,239	\$2,104,478		\$0	
2005 Pool										\$3,000,000	\$761,194	\$0	
Allowable										\$447,761	\$447,761	\$0	
Used										\$447,761	\$447,761	(\$0)	3,000,000
Remaining										\$2,552,239	\$313,433	\$0	
2006 Pool											\$1,208,955	\$313,433	
Allowable											\$447,761	\$313,433	
Used											\$447,761	(\$0)	2,686,567
Remaining											\$761,194	\$313,433	
2007 Pool											\$1,656,716	\$582,090	
Allowable											\$447,761	\$447,761	
Used											\$447,761	(\$0)	2,417,910
Remaining											\$1,208,955	\$582,090	
2008 Pool											\$2,104,478	\$761,194	
Allowable											\$447,761	\$447,761	
Used											\$447,761	(\$0)	2,238,806
Remaining											\$1,656,716	\$761,194	
2009 Pool											\$2,552,239	\$582,090	
Allowable											\$447,761	\$447,761	
Used											\$447,761	(\$0)	1,970,149
Remaining											\$1,656,716	\$582,090	
2010 Pool											\$3,000,000	\$3,000,000	
Allowable											\$447,761	\$447,761	
Used											\$447,761	\$0	1,791,045
Remaining											\$2,552,239	\$3,000,000	
2011 Pool												\$3,000,000	
Allowable												\$447,761	
Used												\$447,761	2,238,806
Remaining												\$2,552,239	
2012 Pool												\$3,000,000	
Allowable												\$447,761	
Used												\$447,761	1,791,045
Remaining												\$2,552,239	
2013 Pool												\$3,000,000	
Allowable												\$447,761	
Used												\$447,761	1,343,284
Remaining												\$2,552,239	
2014 Pool												\$3,000,000	
Allowable												\$447,761	
Used												\$447,761	895,522
Remaining												\$2,552,239	

Dy Underground Project
 Zinc Price is US\$ 0.50/lb and Lead Price is US\$ 0.35/lb

Capital Cost Summary & Financing Assumptions

Year Ended	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2010</u>	<u>2015</u>	<u>1996-2015</u>
Project Capital Costs Detail: (Not Including Working Capital) \$'S													
Evaluation & purchase of assets**													
Purchase Price													
Mine startup, equipment & repairs													
Pre-stripping													
Mill & mill start-up													
Environmental Bonds													
Trucking & Port													
Closing costs*													
Sustaining capital					1,000,000	1,000,000	1,450,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	42,450,000
Dy development	593,000	3,400,000	8,000,000	8,500,000	14,500,000	5,600,000							40,593,000
Total	593,000	3,400,000	8,000,000	8,500,000	15,500,000	6,600,000	1,450,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	83,043,000

Dy Underground Project
Zinc Price is US\$ 0.50/lb and Lead Price is US\$ 0.35/lb

Sources Of Capital

	YEAR	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2010</u>	<u>2015</u>	<u>1996-2015</u>
Sources Of Capital														
Stripping Loan														
Equipment loan														
Partner's equity														
11588 Yukon Ltd.														
Public issue for equity														
Working capital loan														
Marketing advance														
Total														
Investor Dividends														
Dividends @ 50% of profits flowing to:						735,378	5,193,548	6,583,389	6,748,982	6,617,792	6,479,373	6,284,068	7,231,422	99,437,417
Public equity issue for 30% of company						220,613	1,558,064	1,975,017	2,024,695	1,985,338	1,943,812	1,885,220	2,169,427	29,831,225
Partner's equity for 25% of company						183,844	1,298,387	1,645,847	1,687,245	1,654,448	1,619,843	1,571,017	1,807,855	24,859,354
Partner's equity for 25% of company						183,844	1,298,387	1,645,847	1,687,245	1,654,448	1,619,843	1,571,017	1,807,855	24,859,354
Concentrate Facility														
Amount Borrowed \$														
Interest Rate		7.0%												
Term, years		7												
Payment \$														
Working Capital Loan														
Amount Borrowed \$														
Interest Rate		10.0%												
Term, years		5												
Payment \$														
Creditors, & Lease Obligations														
Amount Borrowed \$														
Interest Rate		10.0%												
Term, years		3												
Payment \$														
Capital Requirements \$'S														
Total All Capital Except Sustaining														
Owners' Equity														
Working Capital														
Taxes														
Combined rate of Federal & Yukon														
Local tax in administration														
Accounts Receivable														
% of full year revenue														
Materials & Supplies In Inventory														
% of capital														
Accounts Payable														
% of full year operating cost														
Exchange Rate														
\$US TO \$CDN		0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73

Dy Underground Project

Zinc Price is US\$ 0.55/lb

and

Lead Price is US\$ 0.30/lb

Dy Underground Project
Zinc Price is US\$ 0.55/lb and Lead Price is US\$ 0.30/lb

Supplementary Information and Statistics

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2010</u>	<u>2015</u>	<u>1996-2015</u>
Production and Prices													
Tonnes of Open Pit Waste					241,200	979,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	18,020,200
Tonnes of Ore					12.12	12.12	12.12	12.12	12.12	12.12	12.12	12.12	12.12
Ore Grade %Zn plus %Pb					\$0.55	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55
Zinc Metal Price \$/Lb.	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55
Lead Metal Price \$/Lb.	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30
Silver Metal Price \$/Oz.	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50
Gold Metal Price \$/Oz.	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00
Exchange Rate US\$/CDN\$	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73
Zinc Concentrate (Thousands of tonnes)					24.1	97.8	119.9	122.9	122.9	122.9	122.9	122.9	1,840
Lead Concentrate (Thousand of Tonnes)					16.8	68.1	83.5	84.6	84.6	84.6	84.6	84.6	1,268
Total Concentrate (Thousand of Tonnes)					40.9	166.0	203.4	207.5	207.5	207.5	207.5	207.5	3,107
Payable Metal													
Zinc Metal (Mn Lbs)					23.9	97.2	119.1	122.1	122.1	122.1	122.1	122.1	1,827.1
Lead Metal (Mn Lbs)					22.5	91.3	112.0	113.3	113.3	113.3	113.3	113.3	1,699.3
Silver (000's Oz's)					276.0	1,120.4	1,373.3	1,372.2	1,372.2	1,372.2	1,372.2	1,372.2	20,608.0
Gold (000's Oz's)					1.2	4.8	5.9	5.8	5.8	5.8	5.8	5.8	87.7
Total Payable Metal Lead & Zinc (Mn Lbs)					46.4	188.5	231.1	235.4	235.4	235.4	235.4	235.4	3,526.4
Total Operating Cost (Mn \$)					14.3	58.3	70.9	71.6	71.6	71.6	71.6	71.6	1,073.8
Value of Precious Metals (mn \$)					2.6	11.0	13.5	13.4	13.4	13.4	13.4	13.4	201.8
Total Operating Cost (Includes shipping) Net of Precious Metals (Mn \$)					11.7	47.3	57.4	58.1	58.1	58.1	58.1	58.1	872.0
Cost per Lb of Payable Zinc & Lead Net of Precious Metals													
					In Cdn Dollars	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25
					In US Dollars	\$0.18	\$0.18	\$0.18	\$0.18	\$0.18	\$0.18	\$0.18	\$0.18
Net Smelter Return per Tonne of Zinc Concentrate					445.39	445.39	445.39	445.39	445.39	445.39	445.39	445.39	445.39
Lead Concentrate					493.65	499.74	499.74	497.48	497.48	497.48	497.48	497.48	497.70
Net Smelter Return Weighted Average per/T of Zinc + Lead					465.21	467.70	467.70	466.62	466.62	466.62	466.62	466.62	466.73
Cost per Tonne of Zinc + Lead Concentrate					350.38	351.35	348.46	344.90	344.90	344.90	344.90	344.90	345.55

Dy Underground Project
Zinc Price is US\$ 0.55/lb and Lead Price is US\$ 0.30/lb

Consolidated Statement of Earnings And Retained Earnings

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2010</u>	<u>2015</u>	<u>1996-2015</u>
Net Sales					19,023,007	77,626,661	95,150,146	96,809,790	96,809,790	96,809,790	96,809,790	96,809,790	1,450,327,084
Cost of Sales					(6,030,000)	(24,475,000)	(30,000,000)	(30,000,000)	(30,000,000)	(30,000,000)	(30,000,000)	(30,000,000)	(450,505,000)
Mining cost					(2,440,944)	(9,907,480)	(12,144,000)	(12,144,000)	(12,144,000)	(12,144,000)	(12,144,000)	(12,144,000)	(182,364,424)
Milling cost					(1,331,424)	(5,404,080)	(6,624,000)	(6,624,000)	(6,624,000)	(6,624,000)	(6,624,000)	(6,624,000)	(99,471,504)
Site administration					(712,256)	(3,053,000)	(3,153,000)	(3,453,000)	(3,453,000)	(3,453,000)	(3,453,000)	(3,453,000)	(51,807,256)
Corporate					(91,656)	(372,020)	(456,000)	(456,000)	(456,000)	(456,000)	(456,000)	(456,000)	(6,847,676)
Mines Site Environmental					(3,721,134)	(15,103,606)	(18,513,102)	(18,879,740)	(18,879,740)	(18,879,740)	(18,879,740)	(18,879,740)	(282,774,461)
Marketing and Delivery													
Reclamation Fund													
Total					(14,327,414)	(58,315,186)	(70,890,102)	(71,556,740)	(71,556,740)	(71,556,740)	(71,556,740)	(71,556,740)	(1,073,770,321)
Operating Cash Earning Before The Following					4,695,594	19,311,475	24,260,044	25,253,050	25,253,050	25,253,050	25,253,050	25,253,050	376,556,763
Other Expenses					(2,029,667)	(3,514,515)	(4,265,273)	(4,765,273)	(5,265,273)	(5,765,273)	(6,690,273)	(3,000,000)	(75,543,000)
Depreciation, Depletion & Amortization													
Concentrate Facility: Interest Expense													
Working Capital Loan: Interest Expense													
Equipment Lease: Interest Expense													
Total					(2,029,667)	(3,514,515)	(4,265,273)	(4,765,273)	(5,265,273)	(5,765,273)	(6,690,273)	(3,000,000)	(75,543,000)
Earnings Before Tax					2,665,927	15,796,960	19,994,771	20,487,777	19,987,777	19,487,777	18,562,777	22,253,050	301,013,763
Income and Resource Taxes					(56,357)	(698,974)	(822,226)	(777,036)	(704,020)	(645,434)	(416,017)	(593,048)	(9,003,854)
Yukon Mining Royalties						(1,305,485)	(4,319,430)	(5,485,159)	(6,063,126)	(6,460,585)	(7,195,077)	(7,301,607)	(95,685,151)
Federal & Yukon Cash Tax					(1,167,676)	(3,539,898)	(1,850,397)	(846,769)	(104,401)	457,458	1,496,090	(15,195)	21,326
Deferred Tax					(1,224,033)	(5,544,357)	(6,992,053)	(7,108,963)	(6,871,547)	(6,648,562)	(6,115,004)	(7,909,851)	(104,023,491)
Total													
Net Earnings After Tax					1,441,894	10,252,603	13,002,718	13,378,814	13,116,230	12,839,216	12,447,773	14,343,199	196,990,272
Retained Earnings					1,441,894	11,694,498	24,697,216	38,076,030	51,192,261	64,031,476	126,442,018	196,990,272	
Shares Outstanding	16,420,000	16,420,000	16,420,000	16,420,000	16,420,000	16,420,000	16,420,000	16,420,000	16,420,000	16,420,000	16,420,000	16,420,000	
Shares Outstanding (Fully Diluted)	21,120,000	21,120,000	21,120,000	21,120,000	21,120,000	21,120,000	21,120,000	21,120,000	21,120,000	21,120,000	21,120,000	21,120,000	
Earnings Per Share					\$0.088	\$0.624	\$0.792	\$0.815	\$0.799	\$0.782	\$0.758	\$0.874	
Earnings Per Share Fully Diluted					\$0.068	\$0.485	\$0.616	\$0.633	\$0.621	\$0.608	\$0.589	\$0.679	

Dy Underground Project
Zinc Price is US\$ 0.55/lb and Lead Price is US\$ 0.30/lb

Consolidated Statement of Cashflow

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2010</u>	<u>2015</u>	<u>1996-2015</u>
Operating Activities													
Net Income					1,441,894	10,252,603	13,002,718	13,378,814	13,116,230	12,839,216	12,447,773	14,343,199	196,990,272
Depreciation, depletion & amortization					2,029,667	3,514,515	4,265,273	4,765,273	5,265,273	5,765,273	6,690,273	3,000,000	75,543,000
Deferred tax					1,167,676	3,539,898	1,850,397	846,769	104,401	(457,458)	(1,496,090)	15,195	(21,326)
Cash from operations					4,639,237	17,307,016	19,118,388	18,990,856	18,485,904	18,147,030	17,641,956	17,358,394	272,511,947
Financing Activities													
Concentrate Financing Facility													
Operating line of credit													
Equipment Leases													
Marketing Contract													
Partners' loan													
Sales of Shares													
Total													
Changes In Working Capital													
Concentrate Receivables					(2,282,761)	(7,032,438)	(2,102,818)	(199,157)					(11,617,175)
Materials & Supplies													
Accounts Payable					1,719,290	5,278,533	1,508,990	79,997					8,586,809
Total					(563,471)	(1,753,906)	(593,828)	(119,161)					(3,030,366)
Investing Activities													
Purchase price													
Mobilization and pre-stripping													
Evaluation and closing													
Reclamation bonds													
Financing fees													
Sustaining					(1,000,000)	(1,000,000)	(1,450,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(42,450,000)
Dy development	(593,000)	(3,400,000)	(8,000,000)	(8,500,000)	(14,500,000)	(5,600,000)							(40,593,000)
Total	(593,000)	(3,400,000)	(8,000,000)	(8,500,000)	(15,500,000)	(6,600,000)	(1,450,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(83,043,000)
Debt Repayment													
Concentrate Facility													
Operating line of credit													
Other loan													
Equipment Leases													
Total													
Net Cash Flow	(593,000)	(3,400,000)	(8,000,000)	(8,500,000)	(11,424,234)	8,953,111	17,074,559	15,871,695	15,485,904	15,147,030	14,641,956	14,358,394	186,438,581
Cumulative Cashflow	(593,000)	(3,993,000)	(11,993,000)	(20,493,000)	(31,917,234)	(22,964,124)	(5,889,564)	9,982,131	25,468,035	40,615,065	114,368,306	186,438,581	
IRR for 11 years of production													29.03%
Present Value Of Net Cash Flows From Operations													
NPV @ discount rate of													
10.0%	(539,091)	(3,349,008)	(9,359,527)	(15,165,141)	(22,258,692)	(17,204,894)	(8,442,945)	(1,038,683)	5,528,852	11,368,688	32,943,479	46,030,928	
15.0%	(515,652)	(3,086,541)	(8,346,671)	(13,206,573)	(18,886,436)	(15,015,760)	(8,596,800)	(3,408,315)	993,745	4,737,859	16,974,105	22,916,771	
Discounted to beginning of 1996	(494,167)	(2,855,278)	(7,484,907)	(11,584,059)	(16,175,202)	(13,176,824)	(8,411,627)	(4,720,378)	(1,719,106)	727,224	7,862,367	10,663,094	

Dy Underground Project
Zinc Price is US\$ 0.55/lb and Lead Price is US\$ 0.30/lb

Consolidated Balance Sheet

Year Ended	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2010	2015
Assets												
Cash and short term Investments	(593,000)	(3,993,000)	(11,993,000)	(20,493,000)	(31,917,234)	(22,964,124)	(5,889,564)	9,982,131	25,468,035	40,615,065	114,368,306	186,438,581
Concentrate Receivables					2,282,761	9,315,199	11,418,018	11,617,175	11,617,175	11,617,175	11,617,175	11,617,175
Materials and Supplies												
Total Current	(593,000)	(3,993,000)	(11,993,000)	(20,493,000)	(29,634,473)	(13,648,924)	5,528,453	21,599,305	37,085,209	52,232,240	125,985,481	198,055,755
DY Property and Equipment					35,993,000	42,593,000	44,043,000	47,043,000	50,043,000	53,043,000	68,043,000	83,043,000
Less Accumulated Depreciation					(2,029,667)	(5,544,182)	(9,809,455)	(14,574,727)	(19,840,000)	(25,605,273)	(58,206,636)	(75,543,000)
Sustaining Investments and Dy Reclamation Bonds	593,000	3,993,000	11,993,000	20,493,000								
Other Non Current assets												
Total non-current	593,000	3,993,000	11,993,000	20,493,000	33,963,333	37,048,818	34,233,545	32,468,273	30,203,000	27,437,727	9,836,364	7,500,000
Total Assets					4,328,860	23,399,894	39,761,999	54,067,578	67,288,209	79,669,967	135,821,845	205,555,755
Liabilities & Shareholders Equity												
Current Liabilities												
Accounts Payable					1,719,290	6,997,822	8,506,812	8,586,809	8,586,809	8,586,809	8,586,809	8,586,809
Operating Loan												
Current Portion of Long Term Debt												
Total Current					1,719,290	6,997,822	8,506,812	8,586,809	8,586,809	8,586,809	8,586,809	8,586,809
Long-Term Debt and Deferred Income												
Equipment Leases												
Concentrate Facility												
Total Long Term Debt												
Deferred Income												
Deferred taxes						4,184,087	6,034,483	6,881,252	6,985,653	6,528,195	269,530	(544,813)
Total liabilities					1,719,290	11,181,909	14,541,296	15,468,061	15,572,462	15,115,004	8,856,339	8,041,996
Shareholders' Equity												
Share Capital												
Retained Earnings					1,441,894	11,694,498	24,697,216	38,076,030	51,192,261	64,031,476	126,442,018	196,990,272
Total Shareholder's Equity					1,441,894	11,694,498	24,697,216	38,076,030	51,192,261	64,031,476	126,442,018	196,990,272
Total Liability and Equity					3,161,184	22,876,407	39,238,511	53,544,091	66,764,722	79,146,480	135,298,357	205,032,268
					1,167,676	523,487	523,487	523,487	523,487	523,487	523,487	523,487
Common Shares Outstanding	16,420,000	16,420,000	16,420,000	16,420,000	16,420,000	16,420,000	16,420,000	16,420,000	16,420,000	16,420,000	16,420,000	16,420,000
Fully Diluted Common Shares	21,120,000	21,120,000	21,120,000	21,120,000	21,120,000	21,120,000	21,120,000	21,120,000	21,120,000	21,120,000	21,120,000	21,120,000
Book Value per Share Fully Diluted					\$0.07	\$0.55	\$1.17	\$1.80	\$2.42	\$3.03	\$5.99	\$9.33
Long Term Debt as a % of Capitalization												
Earnings per share Fully Diluted					\$0.09	\$0.49	\$0.62	\$0.63	\$0.62	\$0.61	\$0.59	\$0.68

Dy Underground Project
 Zinc Price is US\$ 0.55/lb and Lead Price is US\$ 0.30/lb

Reclamation Security Fund

Year Ended	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2010</u>	<u>2015</u>	<u>1996-2015</u>
RST At Closing													
Existing Vangorda Bond (Nesbitt)													
Existing Environmental Trust Fund													
Anvil Water Board Bonds													
RST on Closing													
RST Contributions From Operations													
From 3.0% NSR													
From Tailings Project													
Total From Operations													
RST From All Sources													
RST Value Year End													
Interest @7.0%													
Cummulative Amount													

Dy Underground Project
Zinc Price is US\$ 0.55/lb and Lead Price is US\$ 0.30/lb

Project Summary

Year Ending	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2010	2015	1996-2015				
Production																	
Tonnes of ore					241,200	979,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	18,020,200				
Tonnes of Concentrate					40,892	165,974	203,441	207,470	207,470	207,470	207,470	207,470	3,107,412				
Cost per pound of zinc + lead					0.28	0.28	0.27	0.27	0.27	0.27	0.27	0.27	0.27				
Cost per tonne of ore					59.40	59.57	59.08	59.63	59.63	59.63	59.63	59.63	59.59				
Price																	
Zinc, \$US/pound	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55				
Lead, \$US/pound	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30				
Silver, \$US/oz	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50				
Gold, \$US/oz	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00				
Exchange rate, US/CDN	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73				
Revenue																	
Gross sales					29,987,153	122,128,728	149,698,134	152,481,760	152,481,760	152,481,760	152,481,760	152,481,760	2,284,076,895				
Treatment charges					(10,964,146)	(44,502,067)	(54,547,988)	(55,671,970)	(55,671,970)	(55,671,970)	(55,671,970)	(55,671,970)	(833,749,811)				
Net Revenue					19,023,007	77,626,661	95,150,146	96,809,790	96,809,790	96,809,790	96,809,790	96,809,790	1,450,327,084				
Cost Of Sales																	
Operating Costs					8,562,600	34,754,500	42,600,000	42,600,000	42,600,000	42,600,000	42,600,000	42,600,000	639,717,100				
General & Administrative					2,043,680	8,457,080	9,777,000	10,077,000	10,077,000	10,077,000	10,077,000	10,077,000	151,278,760				
Depreciation, depletion, amortization					2,029,667	3,514,515	4,265,273	4,765,273	5,265,273	5,765,273	6,690,273	3,000,000	75,543,000				
Concentrate Freight					3,721,134	15,103,606	18,513,102	18,879,740	18,879,740	18,879,740	18,879,740	18,879,740	282,774,461				
Earnings Before The Following Items																	
Income & Local taxes					2,665,927	15,796,960	19,994,771	20,487,777	19,987,777	19,487,777	18,562,777	22,253,050	301,013,763				
Yukon mining royalty					1,167,676	4,845,383	6,169,827	6,331,927	6,167,527	6,003,127	5,698,987	7,316,803	95,019,637				
Interest expense					56,357	698,974	822,226	777,036	704,020	645,434	416,017	593,048	9,003,854				
Environmental Fund																	
Net Earnings From Operations																	
					1,441,894	10,252,603	13,002,718	13,378,814	13,116,230	12,839,216	12,447,773	14,343,199	196,990,272				
Capital Expenditures																	
Purchase price																	
Mobilization and pre-stripping																	
Evaluation and closing																	
Reclamation bonds																	
Financing fees																	
Sustaining					(1,000,000)	(1,000,000)	(1,450,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(42,450,000)				
Dy development	(593,000)	(3,400,000)	(8,000,000)	(8,500,000)	(14,500,000)	(5,600,000)							(40,593,000)				
Financial																	
Debt repayments																	
Change in inventory, A/C Payable & A/C Receipt					(563,471)	(1,753,906)	(593,828)	(119,161)					(3,030,366)				
Project Debt																	
Shareholders' equity																	
Changes Before non cash items																	
Add Deferred Taxes	(593,000)	(3,400,000)	(8,000,000)	(8,500,000)	(14,621,577)	1,898,697	10,958,890	10,259,653	10,116,230	9,839,216	9,447,773	11,343,199	110,916,906				
Add Amortization					1,167,676	3,539,898	1,850,397	846,769	104,401	(457,458)	(1,498,090)	15,195	(21,326)				
Cashflow	(593,000)	(3,400,000)	(8,000,000)	(8,500,000)	(11,424,234)	8,953,111	17,074,559	15,871,695	15,485,904	15,147,030	14,641,956	14,358,394	186,438,581				
Internal Rate Of Return And Net Present Value Of Cashflows																	
IRR on equity - 11 years					29.0%												
NPV @ discount rate of:					10.0%	(539,091)	(3,349,008)	(9,359,527)	(15,165,141)	(22,258,692)	(17,204,894)	(8,442,945)	(1,038,683)	5,528,852	11,368,888	32,943,479	48,030,928
Discounted to Jan 1, 1997:					15.0%	(515,652)	(3,086,541)	(8,346,671)	(13,206,573)	(18,886,436)	(15,015,760)	(8,596,800)	(3,408,315)	993,745	4,737,859	16,974,105	22,916,771
					20.0%	(494,167)	(2,855,278)	(7,484,907)	(11,584,059)	(16,175,202)	(13,176,824)	(8,411,627)	(4,720,378)	(1,719,106)	727,224	7,862,367	10,663,094

Dy Underground Project
Zinc Price is US\$ 0.55/lb and Lead Price is US\$ 0.30/lb

Mining Schedules

Mine Life (Years)

Year Ended	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2010</u>	<u>2015</u>	<u>1996-2015</u>
Grum Open Pit Mine													
Open Pit Strip Ratio													
Open Pit Waste (Mt)													
Open Pit (Rom) Ore (Mt)													
O.P. (Rom) Au Gpt													
O.P. (Rom) Ag Gpt													
O.P. (Rom) Pb %													
O.P. (Rom) Zn %													
Total ore & waste													
Open Pit Costs \$'S													
Mining Waste													
Mining Ore													
Administration & Site O/H													
Environment													
Milling													
Dy Underground Mine													
U.G. (ROM) ore (MT)					241,200	979,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	18,020,200
U.G. (ROM) Au gpt					0.680	0.680	0.680	0.680	0.680	0.680	0.680	0.680	0.68
U.G. (ROM) Ag gpt					66.30	66.30	66.30	66.30	66.30	66.30	66.30	66.30	66.30
U.G. (ROM) Pb %					5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
U.G. (ROM) Zn %					6.62	6.62	6.62	6.62	6.62	6.62	6.62	6.62	6.62
U.G. Costs \$'S													
Mining Waste													
Mining Ore @ \$25.00 per tonne					6,030,000	24,475,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	450,505,000
Administration & Site O/H					1,331,424	5,404,080	6,624,000	6,624,000	6,624,000	6,624,000	6,624,000	6,624,000	99,471,504
Environment					91,656	372,020	456,000	456,000	456,000	456,000	456,000	456,000	6,847,676
Milling					2,440,944	9,907,480	12,144,000	12,144,000	12,144,000	12,144,000	12,144,000	12,144,000	182,364,424
L.G. (Rom) Ore (Mt)													
L.G. (Rom) Au Gpt													
L.G. (Rom) Ag Gpt													
L.G. (Rom) Pb %													
L.G. (Rom) Zn %													
L.G. Costs \$'S													
Mining Waste													
Mining Ore													
Administration & Site O/H													
Environment													
Milling													

Dy Underground Project
Zinc Price is US\$ 0.55/lb and Lead Price is US\$ 0.30/lb

Pro Forma Metallurgical Data

YEAR ENDED	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2010	2015	1996-2015
Rom Ore													
Tonnes Mined					241,200	979,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	18,020,200
Mill Tpd (Mt)					670	2,719	3,333	3,333	3,333	3,333	3,333	3,333	2,503
Mill % Avail.	0.930	0.930	0.930	0.930	0.930	0.930	0.930	0.930	0.930	0.930	0.930	0.930	0.93
Mill Tphr @ 12Hr/Day					59	240	295	295	295	295	295	295	221
Mill W.t.													
Mill Tpy					241,200	979,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	18,020,200
Mill Head Grades													
Au gpt					0.680	0.680	0.680	0.680	0.680	0.680	0.680	0.680	0.680
Ag gpt					66.300	66.300	66.300	66.300	66.300	66.300	66.300	66.300	66.300
Pb %					5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Zn %					6.62	6.62	6.62	6.62	6.62	6.62	6.62	6.62	6.62
Metal % Recovery													
Au	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
Ag	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%
Pb	80.00%	81.00%	80.00%	81.00%	81.00%	81.00%	81.00%	82.00%	82.00%	82.00%	82.00%	82.00%	81.87%
Zn	78.00%	80.00%	79.00%	80.00%	80.00%	80.00%	80.00%	82.00%	82.00%	82.00%	82.00%	82.00%	81.73%
Concentrate Grades													
Au gpt in lead					3.42	3.42	3.42	3.38	3.38	3.38	3.38	3.38	3.38
Ag gpt in lead					571.47	571.47	571.47	564.51	564.51	564.51	564.51	564.51	565.43
Pb %	62.0%	63.5%	63.0%	64.0%	64.0%	64.0%	64.0%	64.0%	64.0%	64.0%	64.0%	64.0%	64.00%
Zn %	52.0%	53.0%	52.0%	53.0%	53.0%	53.0%	53.0%	53.0%	53.0%	53.0%	53.0%	53.0%	53.00%
Concentrate Tonnes													
Total Tonnes of Concentrate					40,892	165,974	203,441	207,470	207,470	207,470	207,470	207,470	3,107,412
Pb					16,790	68,148	83,531	84,563	84,563	84,563	84,563	84,563	1,267,781
Zn					24,102	97,826	119,909	122,907	122,907	122,907	122,907	122,907	1,839,631
Metal In "Rom" Ore													
Au grams					164,016	665,720	816,000	816,000	816,000	816,000	816,000	816,000	12,253,736
Ag grams					15,991,560	64,907,700	79,560,000	79,560,000	79,560,000	79,560,000	79,560,000	79,560,000	1,194,739,260
Pb pounds					29,246,224	118,706,687	145,503,600	145,503,600	145,503,600	145,503,600	145,503,600	145,503,600	2,185,003,311
Zn pounds					35,201,818	142,879,685	175,133,424	175,133,424	175,133,424	175,133,424	175,133,424	175,133,424	2,629,949,439
Metal Recovered													
Au grams in lead cono.					57,406	233,002	285,600	285,600	285,600	285,600	285,600	285,600	4,288,808
Ag grams in lead cono.					9,594,936	38,944,620	47,736,000	47,736,000	47,736,000	47,736,000	47,736,000	47,736,000	716,843,556
Pb pounds					23,689,441	96,152,416	117,857,916	119,312,952	119,312,952	119,312,952	119,312,952	119,312,952	1,788,768,150
Zn pounds					28,161,455	114,303,748	140,106,739	143,609,408	143,609,408	143,609,408	143,609,408	143,609,408	2,149,494,242

Dy Underground Project
Zinc Price is US\$ 0.55/lb and Lead Price is US\$ 0.30/lb

Pro Forma Operating Cost Data

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2010</u>	<u>2015</u>	<u>1996-2015</u>
Concentrate Transportation \$/T Concentrate													
Trucking	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	
Barging													
Port handling	\$8.50	\$8.50	\$8.50	\$8.50	\$8.50	\$8.50	\$8.50	\$8.50	\$8.50	\$8.50	\$8.50	\$8.50	\$8.50
Rail freight													
Ocean freight	\$32.50	\$32.50	\$32.50	\$32.50	\$32.50	\$32.50	\$32.50	\$32.50	\$32.50	\$32.50	\$32.50	\$32.50	\$32.50
Total	\$91.00	\$91.00	\$91.00	\$91.00	\$91.00	\$91.00	\$91.00	\$91.00	\$91.00	\$91.00	\$91.00	\$91.00	\$91.00
Total Operating Costs, \$S													
Mining waste													
Mining ore					6,030,000	24,475,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	450,505,000
Milling					2,440,944	9,907,480	12,144,000	12,144,000	12,144,000	12,144,000	12,144,000	12,144,000	182,364,424
Administration & site O/H					1,331,424	5,404,080	6,624,000	6,624,000	6,624,000	6,624,000	6,624,000	6,624,000	99,471,504
Environment					91,656	372,020	456,000	456,000	456,000	456,000	456,000	456,000	6,847,676
Concentrate freight					3,721,134	15,103,606	18,513,102	18,879,740	18,879,740	18,879,740	18,879,740	18,879,740	282,774,461
H.O. & marketing					712,256	3,053,000	3,153,000	3,453,000	3,453,000	3,453,000	3,453,000	3,453,000	51,807,256
Total					14,327,414	58,315,186	70,890,102	71,556,740	71,556,740	71,556,740	71,556,740	71,556,740	1,073,770,321
Operating Costs, \$/T Ore													
Mining waste													
Mining ore					25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00
Milling					10.12	10.12	10.12	10.12	10.12	10.12	10.12	10.12	10.12
Administration & site O/H					5.52	5.52	5.52	5.52	5.52	5.52	5.52	5.52	5.52
Environment					0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38
Concentrate freight					15.43	15.43	15.43	15.73	15.73	15.73	15.73	15.73	15.69
H.O. & marketing					2.95	3.12	2.63	2.88	2.88	2.88	2.88	2.88	2.87
Total					59.40	59.57	59.08	59.63	59.63	59.63	59.63	59.63	59.59
Operating Costs, \$/Lb Of Combined Zinc & Lead													
Mining waste													
Mining ore					\$0.116	\$0.116	\$0.116	\$0.114	\$0.114	\$0.114	\$0.114	\$0.114	0.11
Milling					\$0.047	\$0.047	\$0.047	\$0.046	\$0.046	\$0.046	\$0.046	\$0.046	0.05
Administration & site O/H					\$0.026	\$0.026	\$0.026	\$0.025	\$0.025	\$0.025	\$0.025	\$0.025	0.03
Environment					\$0.002	\$0.002	\$0.002	\$0.002	\$0.002	\$0.002	\$0.002	\$0.002	0.00
Concentrate freight					\$0.072	\$0.072	\$0.072	\$0.072	\$0.072	\$0.072	\$0.072	\$0.072	0.07
H.O. & marketing					\$0.014	\$0.015	\$0.012	\$0.013	\$0.013	\$0.013	\$0.013	\$0.013	0.01
Total					\$0.276	\$0.277	\$0.275	\$0.272	\$0.272	\$0.272	\$0.272	\$0.272	0.27

Dy Underground Project
Zinc Price is US\$ 0.55/lb and Lead Price is US\$ 0.30/lb

Net Revenue, Prices & Smelter Charges

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2010	2015	1996-2015
Metal Prices:													
Au \$U.S./OZ	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00
Ag \$U.S./OZ	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50
Pb \$U.S./LB	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30
Zn \$U.S./T	\$1,213	\$1,213	\$1,213	\$1,213	\$1,213	\$1,213	\$1,213	\$1,213	\$1,213	\$1,213	\$1,213	\$1,213	\$1,213
Lead Smelter Charges & Returns:													
Tonnes of Concentrate					16,790	68,148	83,531	84,563	84,563	84,563	84,563	84,563	1,267,781
Pb grade %	62.0%	63.5%	63.0%	64.0%	64.0%	64.0%	64.0%	64.0%	64.0%	64.0%	64.0%	64.0%	64.0%
Au grade grams per tonne					3.42	3.42	3.42	3.38	3.38	3.38	3.38	3.38	3.38
Ag grade grams per tonne					571.47	571.47	571.47	564.51	564.51	564.51	564.51	564.51	565.4
Pb Smelter Charges													
Base TC \$'s per tonne Cono.	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00
Scale Inorases	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Gold Refining (none)													
Silver Refining (Pay 95% MD 35gpt, plus \$0.30/c)					5.17	5.17	5.17	5.11	5.11	5.11	5.11	5.11	5.11
Shipping	23.73	23.73	23.73	23.73	23.73	23.73	23.73	23.73	23.73	23.73	23.73	23.73	23.73
Total Smelter Charges	178.73	178.73	178.73	178.73	183.90	183.90	183.90	183.83	183.83	183.83	183.83	183.83	183.83
Pb Smelter Returns													
Pb payable					6,751,491	27,403,439	33,589,506	34,004,191	34,004,191	34,004,191	34,004,191	34,004,191	509,798,923
Au payable					470,098	1,908,068	2,338,796	2,326,860	2,326,860	2,326,860	2,326,860	2,326,860	34,966,146
Ag payable					1,518,165	6,464,771	7,924,132	7,917,749	7,917,749	7,917,749	7,917,749	7,917,749	118,837,810
Gross payable					8,739,754	35,776,278	43,852,434	44,248,801	44,248,801	44,248,801	44,248,801	44,248,801	663,602,879
Less smelter charges					(2,689,293)	(10,915,498)	(13,379,569)	(13,539,065)	(13,539,065)	(13,539,065)	(13,539,065)	(13,539,065)	(202,992,203)
Less shipping					(398,338)	(1,616,801)	(1,981,779)	(2,006,245)	(2,006,245)	(2,006,245)	(2,006,245)	(2,006,245)	(30,078,107)
Less commissions @ 0% of net smelter					5,652,123	23,243,978	28,491,086	28,703,491	28,703,491	28,703,491	28,703,491	28,703,491	430,532,570
Net Lead Smelter Return \$Us (Including Shipping)					5,652,123	23,243,978	28,491,086	28,703,491	28,703,491	28,703,491	28,703,491	28,703,491	430,532,570
Net Lead Smelter Return \$Us (Shipping Out)					6,050,460	24,860,779	30,472,865	30,709,736	30,709,736	30,709,736	30,709,736	30,709,736	460,610,676
Zinc Smelter Charges & Returns:													
Tonnes of Concentrate					24,102	97,826	119,909	122,907	122,907	122,907	122,907	122,907	1,839,631
Zn grade %	52.0%	53.0%	52.0%	53.0%	53.0%	53.0%	53.0%	53.0%	53.0%	53.0%	53.0%	53.0%	53.0%
Zn Smelter Charges													
Base TC per tonne of conc.	190.00	190.00	190.00	190.00	190.00	190.00	190.00	190.00	190.00	190.00	190.00	190.00	190.00
Scale Inorases	25.50	25.50	25.50	25.50	25.50	25.50	25.50	25.50	25.50	25.50	25.50	25.50	25.50
Hg penalty	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
	220.50	220.50	220.50	220.50	220.50	220.50	220.50	220.50	220.50	220.50	220.50	220.50	220.50
Shipping	23.73	23.73	23.73	23.73	23.73	23.73	23.73	23.73	23.73	23.73	23.73	23.73	23.73
Total Zn Smelter Charges	244.23	244.23	244.23	244.23	244.23	244.23	244.23	244.23	244.23	244.23	244.23	244.23	244.23
Zinc Smelter Returns													
Zn payable					13,150,868	53,377,694	65,427,204	67,062,884	67,062,884	67,062,884	67,062,884	67,062,884	1,003,773,254
Less smelter charges					(5,314,533)	(21,571,010)	(26,440,462)	(27,101,473)	(27,101,473)	(27,101,473)	(27,101,473)	(27,101,473)	(405,645,159)
					7,836,335	31,806,684	38,986,742	39,961,410	39,961,410	39,961,410	39,961,410	39,961,410	598,128,095
Less shipping					(571,815)	(2,320,925)	(2,844,851)	(2,915,973)	(2,915,973)	(2,915,973)	(2,915,973)	(2,915,973)	(43,645,235)
Less commissions @ 0% of net smelter					7,264,520	29,485,759	36,141,890	37,045,438	37,045,438	37,045,438	37,045,438	37,045,438	554,482,860
Net Zinc Smelter Return \$Us (Including Shipping)					7,264,520	29,485,759	36,141,890	37,045,438	37,045,438	37,045,438	37,045,438	37,045,438	554,482,860
NSR bases Zn + Pb \$CDN					17,694,031	72,232,516	88,538,324	90,067,026	90,067,026	90,067,026	90,067,026	90,067,026	1,349,336,205
Net Zinc Smelter Return \$Us (Shipping Out)					7,836,335	31,806,684	38,986,742	39,961,410	39,961,410	39,961,410	39,961,410	39,961,410	598,128,095

Dy Underground Project
Zinc Price is US\$ 0.55/lb and Lead Price is US\$ 0.30/lb

Net Revenue, Prices & Smelter Charges Continued

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2010	2015	1996-2015
Lead Concentrate (tonnes)					16,790	68,148	83,531	84,563	84,563	84,563	84,563	84,563	1,267,781
Base Price \$U.S./LB	\$0.28	\$0.28	\$0.28	\$0.28	\$0.28	\$0.28	\$0.28	\$0.28	\$0.28	\$0.28	\$0.28	\$0.28	
Base TC \$U.S./T	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	
Scale \$U.S. Up/o	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	
Scale \$U.S. Down/o													
% Payable Metal	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	
Lead					6,751,491	27,403,439	33,589,506	34,004,191	34,004,191	34,004,191	34,004,191	34,004,191	509,798,923
Gross Pb Rev \$U.S.					2,602,416	10,562,875	12,947,344	13,107,188	13,107,188	13,107,188	13,107,188	13,107,188	196,506,072
Pb Smelter Charges					4,149,075	16,840,564	20,642,162	20,897,004	20,897,004	20,897,004	20,897,004	20,897,004	313,292,851
Net Pb Revenue \$U.S.													
Gold					738,253	2,996,473	3,672,899	3,672,899	3,672,899	3,672,899	3,672,899	3,672,899	55,155,305
Gross Sales					57,406	233,002	285,600	285,600	285,600	285,600	285,600	285,600	4,288,808
Au in Pb Concentrate (grams)					16,790	68,148	83,531	84,563	84,563	84,563	84,563	84,563	1,267,781
Deduct 1 gpt of Con (grams)					36,554	148,369	181,862	180,934	180,934	180,934	180,934	180,934	2,718,924
Pay 90% of Net (grams)					266,585	1,082,035	1,326,294	1,338,270	1,338,270	1,338,270	1,338,270	1,338,270	20,072,417
Smelter Charges \$US					471,668	1,914,438	2,346,605	2,334,629	2,334,629	2,334,629	2,334,629	2,334,629	35,082,888
Au REV IN Pb Con \$US													
Silver					1,702,327	6,909,529	8,469,290	8,469,290	8,469,290	8,469,290	8,469,290	8,469,290	716,843,556
Gross Sales					9,594,936	38,944,620	47,736,000	47,736,000	47,736,000	47,736,000	47,736,000	47,736,000	44,372,339
Ag in Pb Concentrate (grams)					587,642	2,385,165	2,923,594	2,959,688	2,959,688	2,959,688	2,959,688	2,959,688	672,471,217
Deduct 35gpt of Con (grams)					9,007,294	36,559,455	44,812,406	44,776,313	44,776,313	44,776,313	44,776,313	44,776,313	6,486,131
Pay 100% of Net					86,877	352,624	432,225	431,877	431,877	431,877	431,877	431,877	14,358,642
Refining Charge @ \$.30/oz					191,136	775,798	950,927	956,983	956,983	956,983	956,983	956,983	112,823,279
Smelter Charges \$US					1,511,191	6,133,731	7,518,363	7,512,307	7,512,307	7,512,307	7,512,307	7,512,307	
Ag REV IN Pb Con \$US													
Zinc Concentrate (tonnes)					24,102	97,826	119,909	122,907	122,907	122,907	122,907	122,907	1,839,631
Base Price \$U.S./T Metal	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	
Base TC \$U.S./T Con	\$190.00	\$190.00	\$190.00	\$190.00	\$190.00	\$190.00	\$190.00	\$190.00	\$190.00	\$190.00	\$190.00	\$190.00	
Scale \$U.S. Up/o	\$0.12	\$0.12	\$0.12	\$0.12	\$0.12	\$0.12	\$0.12	\$0.12	\$0.12	\$0.12	\$0.12	\$0.12	
Scale \$U.S. Down/o	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11	
% Payable Metal	0.846	0.849	0.846	0.849	0.849	0.849	0.849	0.849	0.849	0.849	0.849	0.849	
Iron and Mercury Penalty/T Con	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
Zinc					13,150,868	53,377,694	65,427,204	67,062,884	67,062,884	67,062,884	67,062,884	67,062,884	1,003,773,254
Gross Revenue \$U.S.					5,194,024	21,081,880	25,840,915	26,486,938	26,486,938	26,486,938	26,486,938	26,486,938	396,447,006
Zn Smelter Charges					120,509	489,131	599,547	614,536	614,536	614,536	614,536	614,536	9,198,153
Hg Penalty					7,836,335	31,806,684	38,986,742	39,961,410	39,961,410	39,961,410	39,961,410	39,961,410	598,128,095
Net Zn Revenue \$U.S.													

Dy Underground Project
Zinc Price is US\$ 0.55/lb and Lead Price is US\$ 0.30/lb

Federal & Provincial Taxes

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2010</u>	<u>2015</u>	<u>1996-2015</u>
1. Assets (000'S)													
- Depreciation Is In Accordance With CCA Rates													
- Depreciation At 50% Of Rate In Year Of Purchase													
Mine Development, Studies, Permitting, Haulway	593,000	3,400,000	8,000,000	8,500,000	14,500,000	5,600,000							40,593,000
Mine Equipment													
Plant & Equipment Including Tailings Ponds					1,000,000	1,000,000	1,450,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	42,450,000
Sustaining Capital													
Roads, Tanks, Ports, Office & Camp													
Total					\$15,500,000	\$6,600,000	\$1,450,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	62,550,000
Sustaining Capital Depreciated At 25% Per Year	25%												
CDE Costs Annual Rate Of Write-Off Annual Write-Off	30%												
Nbv - Predevelopment Costs													
Other Assets													
Partners Loan Fees													
Concentrate Facility Fees													
Deferred Income													
Total Other Assets													
2. Taxes (Federal And Provincial)													
Federal And Provincial Corporate Taxes													
Resource Allowance (Federal) Yukon Mineral Tax (Cur. Proceeds)													
Capital Tax													
3. Interest Expenses	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2010</u>	<u>2015</u>	<u>1996-2015</u>
Per Project Summary													
4. Depreciation													
Years													
Mine Development	10				1,863,000	3,181,162	3,690,273	3,690,273	3,690,273	3,690,273	3,690,273	3,690,273	40,593,000
Mine Equipment	10												
Plant & Equipment	10												
Roads & Tank Port	10												
Sustaining Capital	6				166,667	333,333	575,000	1,075,000	1,575,000	2,075,000	3,000,000	3,000,000	34,950,000
Total Depreciation					2,029,667	3,514,515	4,265,273	4,765,273	5,265,273	5,765,273	6,690,273	3,000,000	75,543,000
5. Depreciation Other Assets													
Partners Loan Fees													
Concentrate Facility Fees													
Deferred Income													

Dy Underground Project
Zinc Price is US\$ 0.55/lb and Lead Price is US\$ 0.30/lb

Federal And Provincial Corporate Taxes Payable

Federal	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2010</u>	<u>2015</u>	<u>1996-2015</u>
Net Operating Profit					4,695,594	19,311,475	24,260,044	25,253,050	25,253,050	25,253,050	25,253,050	25,253,050	376,556,783
Add Back (Deduct)													
Capital Cost Allowance					(2,029,667)	(333,333)	(575,000)	(1,075,000)	(1,575,000)	(2,075,000)	(3,000,000)	(3,000,000)	(36,813,000)
					(2,029,667)	(333,333)	(575,000)	(1,075,000)	(1,575,000)	(2,075,000)	(3,000,000)	(3,000,000)	(36,813,000)
Income (Losses) For Tax Purposes					2,665,927	18,978,142	23,685,044	24,178,050	23,678,050	23,178,050	22,253,050	22,253,050	339,743,763
Less:													
Resource Allowance					666,482	4,744,535	5,921,261	6,044,513	5,919,513	5,794,513	5,563,263	5,563,263	84,935,941
Predevelopment Costs					1,863,000	3,181,182	3,690,273	3,690,273	3,690,273	3,690,273	3,690,273	3,690,273	40,593,000
Income (Loss) After Resource Allowance					1,469,409	11,052,425	14,073,510	14,443,265	14,068,265	13,693,265	12,999,515	16,689,788	215,547,786
Taxable Income After Losses Carried Forward					1,469,409	11,052,425	14,073,510	14,443,265	14,068,265	13,693,265	12,999,515	16,689,788	215,547,786
Deduct:													
Interest Expense													
Income (Loss) For Corp. Tax Purposes					1,469,409	11,052,425	14,073,510	14,443,265	14,068,265	13,693,265	12,999,515	16,689,788	215,547,786
Losses Carried Forward													
Combined Fed. & Prov. Corporate Taxes:						4,845,383	6,169,827	6,331,927	6,167,527	6,003,127	5,698,987	7,316,803	
- Deferred						3,539,898	1,850,397	846,769	104,401	(457,458)	(1,496,090)	15,195	(1,189,002)
- Actual Tax					644,189	1,305,485	4,319,430	5,485,159	6,063,126	6,460,585	7,195,077	7,301,607	95,685,151
- Accumulated Tax Pool					644,189	4,184,087	6,034,483	6,881,252	6,985,653	6,528,195	269,530	(544,813)	
- Tax Payable					644,189	4,845,383	6,169,827	6,331,927	6,167,527	6,003,127	5,698,987	7,316,803	94,496,149

Dy Underground Project
Zinc Price is US\$ 0.55/lb and Lead Price is US\$ 0.30/lb

Tax Pools – No Successor Pools
05-Jun-96

Canadian Dollars	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2010</u>	<u>2015</u>	<u>1996-2015</u>
CCA, CCE, CDE, and Loss Carryforwards													
CCA Schedule – Class 41a Preproduction													
Opening balance (UCC)													
Additions to pool													
Balance before CCA													
Maximum allowable CCA at 100%													
CCA actually claimed													
Closing balance (UCC)													
Accumulated CCA													
CCA Schedule – Class 41 b													
Opening UCC						750,000	1,312,500	2,071,875	3,803,906	5,102,930	8,075,207	8,780,542	
Additions to pool					1,000,000	1,000,000	1,450,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	42,450,000
Balance before CCA					1,000,000	1,750,000	2,762,500	5,071,875	6,803,906	8,102,930	11,075,207	11,780,542	
Maximum allowable CCA at 25%					250,000	437,500	690,625	1,267,969	1,700,977	2,025,732	2,768,802	2,945,136	
CCA actually claimed					250,000	437,500	690,625	1,267,969	1,700,977	2,025,732	2,768,802	2,945,136	33,614,593
Closing balance (UCC)					750,000	1,312,500	2,071,875	3,803,906	5,102,930	6,077,197	8,306,405	8,835,407	
Accumulated CCA					250,000	687,500	1,378,125	2,646,094	4,347,070	6,372,803	19,143,595	33,614,593	
Net CCA Claimed					250,000	437,500	690,625	1,267,969	1,700,977	2,025,732	2,768,802	2,945,136	33,614,593
Closing UCC Balance					750,000	1,312,500	2,071,875	3,803,906	5,102,930	6,077,197	8,306,405	8,835,407	
Canadian Development Expenditure													
Opening balance depletables		593,000	3,993,000	11,993,000	20,493,000	31,658,805	26,081,163	18,256,814	12,779,770	8,945,839	1,503,527	252,698	
Additions to pool	593,000	3,400,000	8,000,000	8,500,000	14,500,000	5,600,000							40,593,000
Balance before CDE	593,000	3,993,000	11,993,000	20,493,000	34,993,000	37,258,805	26,081,163	18,256,814	12,779,770	8,945,839	1,503,527	252,698	
CDE expense @30% of Balance	177,900	1,197,900	3,597,900	6,147,900	10,497,900	11,177,641	7,824,349	5,477,044	3,833,931	2,683,752	451,058	75,809	
CDE actually claimed					3,334,195	11,177,641	7,824,349	5,477,044	3,833,931	2,683,752	451,058	75,809	40,416,112
Closing balance depletables	593,000	3,993,000	11,993,000	20,493,000	31,658,805	26,081,163	18,256,814	12,779,770	8,945,839	6,262,087	1,052,469	176,888	
Accumulated CDE					3,334,195	14,511,837	22,336,186	27,813,230	31,647,161	34,330,913	39,540,531	40,416,112	
Canadian Exploration Expenditures													
Opening Balance CEE													
Additions													
CEE Available													
CEE Claimed													
Closing Balance CEE													
Loss Carryforward													
Opening balance of loss carryforwards													
Taxable resource profits (pre-tax)						2,977,840	9,852,715	12,511,767	13,830,124	14,736,736	16,412,128	16,655,126	
Loss carryforward claimed													
Current year's losses													
Closing balance of loss carryforwards													

Dy Underground Project
Zinc Price is US\$ 0.55/lb and Lead Price is US\$ 0.30/lb

Tax Calculations – Does not include Initial Successor Pools
05-Jun-96

Canadian Dollars	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2010	2015	1996-2015
Federal Income Tax Calculation													
Calculation of Resource Profits (000)													
Operating cashflow					\$4,695,594	\$19,311,475	\$24,260,044	\$25,253,050	\$25,253,050	\$25,253,050	\$25,253,050	\$25,253,050	376,556,763
Less: capital cost allowance					\$250,000	\$437,500	\$690,625	\$1,267,969	\$1,700,977	\$2,025,732	\$2,768,802	\$2,945,136	33,614,593
Equals: resource profits					\$4,445,594	\$18,873,975	\$23,569,419	\$23,985,081	\$23,552,073	\$23,227,318	\$22,484,248	\$22,307,914	342,942,170
Less: resource allowance					\$1,111,398	\$4,718,494	\$5,892,355	\$5,996,270	\$5,888,018	\$5,806,829	\$5,621,062	\$5,576,979	85,735,542
Less: interest expense													
Revised resource profits					\$3,334,195	\$14,155,481	\$17,677,064	\$17,988,811	\$17,664,055	\$17,420,488	\$16,863,186	\$16,730,936	257,206,627
Less: CDE					\$3,334,195	\$11,177,641	\$7,824,349	\$5,477,044	\$3,833,931	\$2,683,752	\$451,058	\$75,809	40,416,112
Less: CEE													
Equals: taxable profits						\$2,977,840	\$9,852,715	\$12,511,767	\$13,830,124	\$14,736,736	\$16,412,128	\$16,655,126	216,790,516
Less: prior years losses													
Taxable Income						\$2,977,840	\$9,852,715	\$12,511,767	\$13,830,124	\$14,736,736	\$16,412,128	\$16,655,126	216,790,516
Current Income Taxes						\$1,305,485	\$4,319,430	\$5,485,159	\$6,063,126	\$6,460,585	\$7,195,077	\$7,301,607	95,040,962
Basic Federal Tax Rate	28.8%	28.8%	28.8%	28.8%	28.8%	28.8%	28.8%	28.8%	28.8%	28.8%	28.8%	28.8%	
Basic Federal Tax						\$858,809	\$2,841,523	\$3,608,394	\$3,988,608	\$4,250,075	\$4,733,258	\$4,803,338	62,522,385
Yukon Income Tax Rate	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	
Basic Yukon Tax						\$446,676	\$1,477,907	\$1,876,765	\$2,074,519	\$2,210,510	\$2,461,819	\$2,498,269	32,518,577
Yukon Mining Tax													
Resource profits					\$4,695,594	\$19,311,475	\$24,260,044	\$25,253,050	\$25,253,050	\$25,253,050	\$25,253,050	\$25,253,050	376,556,763
Less: depreciation @15% SL					\$298,507	\$514,925	\$962,687	\$1,410,448	\$1,858,209	\$4,656,716	\$1,791,045		34,345,522
Less: income taxes payable					\$1,305,485	\$4,319,430	\$5,485,159	\$6,063,126	\$6,460,585	\$7,195,077	\$7,301,607		95,040,962
Less: pre-production expenses	\$0												
Net Resource Profit					\$4,695,594	\$17,707,483	\$19,425,688	\$18,805,205	\$17,779,476	\$16,934,256	\$13,401,257	\$16,160,398	247,170,279
Less: processing allowance					\$3,052,136	\$5,200,000	\$5,200,000	\$5,200,000	\$5,200,000	\$5,200,000	\$5,200,000	\$5,200,000	81,052,136
Equals: Taxable Mining Profits					\$1,643,458	\$12,507,483	\$14,225,688	\$13,605,205	\$12,579,476	\$11,734,256	\$8,201,257	\$10,960,398	166,118,143
Average Rate of Mining Tax					3.43%	5.59%	5.78%	5.71%	5.60%	5.50%	5.07%	5.41%	5.42%
Yukon Mining Tax					\$56,357	\$698,974	\$822,226	\$777,036	\$704,020	\$645,434	\$416,017	\$593,048	9,003,854
Straight Line Depreciation													
Opening Balance: Assets						\$1,000,000	\$1,701,493	\$2,636,567	\$4,673,881	\$6,263,433	\$3,940,299	\$15,134,328	
Asset Additions					\$1,000,000	\$2,000,000	\$3,151,493	\$5,636,567	\$7,673,881	\$9,263,433	\$9,940,299	\$16,925,373	
Available Credits					\$149,254	\$298,507	\$514,925	\$962,687	\$1,410,448	\$1,858,209	\$4,656,716	\$1,791,045	
Max 15% Depr'n Based On Cost						\$298,507	\$514,925	\$962,687	\$1,410,448	\$1,858,209	\$4,656,716	\$1,791,045	34,345,522
Credits Used					\$1,000,000	\$1,701,493	\$2,636,567	\$4,673,881	\$6,263,433	\$7,405,224	\$5,283,582	\$15,134,328	
Closing Balance: Assets													
Processing Allowance													
Opening Processing Assets	\$65,000,000	\$65,000,000	\$65,000,000	\$65,000,000	\$65,000,000	\$65,000,000	\$65,000,000	\$65,000,000	\$65,000,000	\$65,000,000	\$65,000,000	\$65,000,000	
Plus: Mill Improvements													
Closing Processing Assets	\$65,000,000	\$65,000,000	\$65,000,000	\$65,000,000	\$65,000,000	\$65,000,000	\$65,000,000	\$65,000,000	\$65,000,000	\$65,000,000	\$65,000,000	\$65,000,000	
Allowance @ 8% of pro. assets	\$5,200,000	\$5,200,000	\$5,200,000	\$5,200,000	\$5,200,000	\$5,200,000	\$5,200,000	\$5,200,000	\$5,200,000	\$5,200,000	\$5,200,000	\$5,200,000	
Maximum at 65 % of profits					\$3,052,136	\$11,509,864	\$12,626,697	\$12,223,383	\$11,556,659	\$11,007,266	\$8,710,817	\$10,504,259	
Allowance actually claimed					\$3,052,136	\$5,200,000	\$5,200,000	\$5,200,000	\$5,200,000	\$5,200,000	\$5,200,000	\$5,200,000	81,052,136

Dy Underground Project
Zinc Price is US\$ 0.55/lb and Lead Price is US\$ 0.30/lb

Yukon Mining Tax Depreciation
05-Jun-96

Canadian Dollars	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2010</u>	<u>2015</u>	<u>1996-2015</u>
Initial Pools											\$0	\$0	
Allowable													
Used												(\$0)	(0)
Remaining											\$0	\$0	
1994 Pool											\$0	\$0	
Allowable													
Used												(\$0)	(0)
Remaining											\$0	\$0	
1995 Pool											\$0	\$0	
Allowable													
Used												(\$0)	(0)
Remaining											\$0	\$0	
1996 Pool											\$0	\$0	
Allowable													
Used												(\$0)	(0)
Remaining											\$0	\$0	
1997 Pool											\$0	\$0	
Allowable													
Used												(\$0)	(0)
Remaining											\$0	\$0	
1998 Pool											\$0	\$0	
Allowable													
Used												(\$0)	(0)
Remaining											\$0	\$0	
1999 Pool											\$0	\$0	
Allowable													
Used												(\$0)	(0)
Remaining											\$0	\$0	
2000 Pool					\$1,000,000	\$1,000,000	\$850,746	\$701,493	\$552,239	\$402,985		\$0	
Allowable					\$149,254	\$149,254	\$149,254	\$149,254	\$149,254	\$149,254		\$0	
Used					\$149,254	\$149,254	\$149,254	\$149,254	\$149,254	\$149,254		(\$0)	1,000,000
Remaining					\$1,000,000	\$850,746	\$701,493	\$552,239	\$402,985	\$253,731		\$0	
2001 Pool						\$1,000,000	\$850,746	\$701,493	\$552,239	\$402,985		\$0	
Allowable						\$149,254	\$149,254	\$149,254	\$149,254	\$149,254		\$0	
Used						\$149,254	\$149,254	\$149,254	\$149,254	\$149,254		(\$0)	1,000,000
Remaining						\$850,746	\$701,493	\$552,239	\$402,985	\$253,731		\$0	
2002 Pool							\$1,450,000	\$1,233,582	\$1,017,164	\$800,746		\$0	
Allowable							\$216,418	\$216,418	\$216,418	\$216,418		\$0	
Used							\$216,418	\$216,418	\$216,418	\$216,418		(\$0)	1,450,000
Remaining							\$1,233,582	\$1,017,164	\$800,746	\$584,328		\$0	
2003 Pool								\$3,000,000	\$2,552,239	\$2,104,478		\$0	
Allowable								\$447,761	\$447,761	\$447,761		\$0	
Used								\$447,761	\$447,761	\$447,761		(\$0)	3,000,000
Remaining								\$2,552,239	\$2,104,478	\$1,656,716		\$0	

Dy Underground Project
Zinc Price is US\$ 0.55/lb and Lead Price is US\$ 0.30/lb

Yukon Mining Tax Depreciation Continued
05-Jun-96

Canadian Dollars	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2010</u>	<u>2015</u>	<u>1996-2015</u>
2004 Pool									\$3,000,000	\$2,552,239	\$313,433	\$0	
Allowable									\$447,761	\$447,761	\$313,433	\$0	
Used									\$447,761	\$447,761	\$313,433	(\$0)	3,000,000
Remaining									\$2,552,239	\$2,104,478		\$0	
2005 Pool										\$3,000,000	\$761,194	\$0	
Allowable										\$447,761	\$447,761	\$0	
Used										\$447,761	\$447,761	(\$0)	3,000,000
Remaining										\$2,552,239	\$313,433	\$0	
2006 Pool											\$1,208,955	\$313,433	
Allowable											\$447,761	\$313,433	
Used											\$447,761	(\$0)	2,686,567
Remaining											\$761,194	\$313,433	
2007 Pool											\$1,656,716	\$582,090	
Allowable											\$447,761	\$447,761	
Used											\$447,761	(\$0)	2,417,910
Remaining											\$1,208,955	\$582,090	
2008 Pool											\$2,104,478	\$761,194	
Allowable											\$447,761	\$447,761	
Used											\$447,761	(\$0)	2,238,806
Remaining											\$1,656,716	\$761,194	
2009 Pool											\$2,552,239	\$582,090	
Allowable											\$447,761	\$447,761	
Used											\$447,761	(\$0)	1,970,149
Remaining											\$1,656,716	\$582,090	
2010 Pool											\$3,000,000	\$3,000,000	
Allowable											\$447,761	\$447,761	
Used											\$447,761	\$0	1,791,045
Remaining											\$2,552,239	\$3,000,000	
2011 Pool												\$3,000,000	
Allowable												\$447,761	
Used												\$447,761	2,238,806
Remaining												\$2,552,239	
2012 Pool												\$3,000,000	
Allowable												\$447,761	
Used												\$447,761	1,791,045
Remaining												\$2,552,239	
2013 Pool												\$3,000,000	
Allowable												\$447,761	
Used												\$447,761	1,343,284
Remaining												\$2,552,239	
2014 Pool												\$3,000,000	
Allowable												\$447,761	
Used												\$447,761	895,522
Remaining												\$2,552,239	

Dy Underground Project
 Zinc Price is US\$ 0.55/lb and Lead Price is US\$ 0.30/lb

Capital Cost Summary & Financing Assumptions

Year Ended	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2010</u>	<u>2015</u>	<u>1996-2015</u>
Project Capital Costs Detail: (Not Including Working Capital) \$'S													
Evaluation & purchase of assets**													
Purchase Price													
Mine startup, equipment & repairs													
Pre-stripping													
Mill & mill start-up													
Environmental Bonds													
Trucking & Port													
Closing costs*													
Sustaining capital					1,000,000	1,000,000	1,450,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	42,450,000
Dy development	593,000	3,400,000	8,000,000	8,500,000	14,500,000	5,600,000							40,593,000
Total	593,000	3,400,000	8,000,000	8,500,000	15,500,000	6,600,000	1,450,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	83,043,000

Dy Underground Project
Zinc Price is US\$ 0.55/lb and Lead Price is US\$ 0.30/lb

Sources Of Capital

YEAR	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2010</u>	<u>2015</u>	<u>1996-2015</u>
Sources Of Capital													
Stripping Loan													
Equipment loan													
Partner's equity													
11588 Yukon Ltd.													
Public issue for equity													
Working capital loan													
Marketing advance													
Total													
Investor Dividends													
Dividends @ 50% of profits flowing to:					720,947	5,126,302	6,501,359	6,689,407	6,558,115	6,419,608	6,223,886	7,171,599	98,495,136
Public equity issue for 30% of company					216,284	1,537,890	1,950,408	2,006,822	1,967,435	1,925,882	1,867,166	2,151,480	29,548,541
Partner's equity for 25% of company					180,237	1,281,575	1,625,340	1,672,352	1,639,529	1,604,902	1,555,972	1,792,900	24,623,784
Partner's equity for 25% of company					180,237	1,281,575	1,625,340	1,672,352	1,639,529	1,604,902	1,555,972	1,792,900	24,623,784
Concentrate Facility													
Amount Borrowed \$													
Interest Rate		7.0%											
Term, years		7											
Payment \$													
Working Capital Loan													
Amount Borrowed \$													
Interest Rate		10.0%											
Term, years		5											
Payment \$													
Creditors, & Lease Obligations													
Amount Borrowed \$													
Interest Rate		10.0%											
Term, years		3											
Payment \$													
Capital Requirements \$'S													
Total All Capital Except Sustaining													
Owners' Equity													
Working Capital													
Taxes													
Combined rate of Federal & Yukon													
Local tax in administration													
Accounts Receivable													
% of full year revenue													
Materials & Supplies In Inventory													
% of capital													
Accounts Payable													
% of full year operating cost													
Exchange Rate													
\$US TO \$CDN		0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73