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A VALUATION OF THE

TINTA HILL DEPOSIT

FOR

INTERNATIONAL PLATINUM LTD.

JANUARY, 1988

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January 25, 1988

Mr. Ted Chisolm
President
International Platinum Ltd.
256-409 Granville Street
Vancouver, B.C.

Dear Ted:

Glanville Management Ltd. and Arthur T. Fisher & Associates Limited have determined that the fair value of your option to earn a 50% interest in the Tinta Hill Deposit is $1,300,000. However, because of the difficulty in establishing a precise value for properties not yet advanced to the feasibility study stage, it is our opinion that a reasonable range of value is between $1.0 and $1.5 million.

We have also recommended an exploration program (as set out on page 25), for 1988 that is estimated to cost $1,000,000, with a second stage for 1989 costing a further $1,000,000.

We wish to thank the staff of International Platinum Ltd. and Silver Tusk Mines Ltd. who have provided us with the information and assistance as needed, and trust that the attached report meets your requirements.

Yours sincerely,

Ross Glanville,
B.A.Sc., P.Eng., M.B.A., C.G.A.

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Arthur T. Fisher,
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RG/ATF/sd

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EXECUTIVE SUMMARY

The Tinta Hill Deposit consists of 72 located mineral claims, covering almost six square miles. The property is located approximately 24 air miles, or 41 road miles, northwest of Carmacks, Yukon Territory.

The claims are held by Silver Tusk Mines Ltd., which has granted an option to International Platinum Ltd. to earn a 50% interest by spending one million dollars on exploration in 1988 and a further one million dollars in 1989. In addition, International Platinum must complete a feasibility study before the end of 1989.

The mineralization was first discovered in 1930 and the property has since undergone intermittent exploration, which, prior to 1980, consisted of trenching, sampling and diamond drilling. During 1980 and 1981, two adits were driven and drifting was carried out along the vein, with the total distance being approximately 3,000 feet. According to Martial Levasseur, President of Silver Tusk Mines Ltd., approximately $3 million has been spent on exploration and development of the property since its discovery.

The structure(s) containing the Tinta Hill mineralization have been tested by diamond drilling (25 holes) over a strike length of 3,500 feet (T.R. Tough, P.Eng., 1981) and to a maximum depth below the surface of 325 feet. However, geophysics have indicated that the Tinta Vein extends over 11,500 feet, and two parallel geophysical anomalies to the north of, and similar to, the Tinta Vein, suggest similar mineralized structures may be present. Two drill holes on an anomaly connecting the Tinta Vein Zone with an anomaly to the north revealed a mineralized zone comparable in width and tenor to the Tinta Vein Zone.

Drill indicated reserves in one zone were calculated (by T.R. Tough, P.Eng. in September, 1983) to be 1,875 tons per vertical foot, based on 3,500 feet of strike length and an average true width of 5.35 feet. The weighted average grade was 0.075 ounces gold per ton, 5.35 ounces silver per ton, 4.71% lead, 6.03% zinc, 0.37% copper and 0.049 % cadmium.

Assuming a strike length of 11,500 feet, a depth of 650 feet and a width of 5.3 feet, one could calculate an in-place tonnage of almost four million tons in one vein. Dave Howard, P.Eng., in a January 20, 1982 report to Silver Tusk Mines, estimated the potential in two structures to a depth of 325 feet to be approximately 3,000,000 tons or more. However, it is important to understand that the above tonnage numbers are potential and are based on several assumptions which have yet to be proven. Nevertheless, the zone is open in both directions beyond the 3,500 feet of strike length tested and at depth below the deepest hole at 325 feet.

For purposes of the cash flow analysis, as outlined in the section entitled "Valuation Details", we assumed the following key parameter:

1. In situ reserves of 2.4 million tons, diluted to 2.88 million ton (8 year mine life), with 20% dilution at 20% of the grade
2. Gold and silver prices of $475 U.S. and $6.75 U.S., respectively
3. Production rate of 1,000 tons per day, 360 days per year
4. Operating costs of $65 per ton
5. Capital cots of $25 million
6. Production start-up at the beginning of 1991
7. Discount rate of 10% real

Based on the above factors, the net present value of a 50% interest in the deposit is calculated to be $6.5 million. However, this value must be reduced substantially due to the fact that a number of the input parameters are only "best estimates" at this time. These parameters include ore reserves, metallurgical recovery, capital costs and operating expenses. In addition, International Platinum is required to expend $2 million on the property to earn its 50% interest. Because of these factors, the net present value of International Platinum's interest has been reduced to approximately 20% of the $6.5 million value, or $1.3 million. This value is also approximately 35% of the "6 year life value" and 15% of the "10 year life value". These net present values, along with those for prices 10% higher and 10% lower are shown in Table I.

TABLE I

NET PRESENT VALUES AS CALCULATED

	Millions of Dollars	
	100% Interest	50% Interest
6 year life	7.6	3.8
8 year life	13.0	6.5
10 year life	17.3	8.6
10 % higher prices	26.2	13.1
10 % lower prices	0.8	0.4

Although we have estimated a value of $1.3 million for International Platinum's option to earn a 50% interest in the Tinta Hill Deposit, a reasonable range of value is between $1.0 and $1.5 million.

As a result of the significant potential of the property and the successful nature of the previous underground program, a substantial exploration program should be carried out, and this can best be undertaken by two programs of underground development. It is recommended that in the first program a crosscut be driven into the ore zone and about 2,000 feet of development completed in the zone. Detailed sampling of the ore can then be carried out.

In the second exploration program it is recommended that about 1,000 feet of drifting and 2,000 feet of raising be completed in the ore zones; detailed sampling of the ore would then be required.

The estimated cost of each program is about $1.0 million. The time required to complete Phase I will be about four months and the time required for Phase II will be about three months. The programs could be undertaken over one or two years.

INTRODUCTION AND TERMS OF REFERENCE

Glanville Management Ltd. and Arthur T. Fisher and Associates were commissioned by Mr. Ted Chisolm, President of International Platinum Ltd., to prepare a fair market valuation of the Tinta Hill Deposit near Carmacks, Yukon Territory. In addition they were asked to recommend an appropriate program for the next stage of exploration.

To accomplish this assignment, the authors examined the technical and financial reports as outlined below and met with several professionals familiar with the property, including Mr. Martial Levasseur, President of Silver Tusk Mines Ltd., Mr. Ted Chisolm, President of International Platinum Ltd., Mr. Ford Cannon and Mr. Steve Buchan with International Platinum Ltd.

1. Geological Report on the Tinta Hill Property, Whitehorse Mining Division, Yukon Territory, for Silver Tusk Mines Ltd. and Panther Mines Ltd. by Thomas R. Tough, P.Eng., Consulting Geologist, February 21, 1981, Vancouver, B.C.

2. 1981 Progress Report and Mineral Inventory for the Tinta Hill Deposit, Yukon Territory, Optioned to Silver Tusk Mines Ltd. and Panther Mines Ltd., by David A. Howard, P.Eng., January 20, 1982.

3. Silver Tusk Mines Ltd., A Profile by Martial H. Levasseur, President, January 25, 1982.

4. Geological Report on the Tinta Hill Property, Whitehorse Mining Division, Yukon Territory, for Silver Tusk Mines Ltd., by Thomas R. Tough, P.Eng., Consulting Geologist, September 27, 1983.

Several of the maps and other data that appear in this valuation were reproduced from the various reports.

A field examination of the property was not made for a variety of reasons. The property is not in operation, and the most pertinent information comes from diamond drilling logs, underground development results, trenching, mapping and geophysics. In addition, the reports in which the data appears have been prepared by professional engineers or geologists who have examined the property. Furthermore, this report is not a technical report, but a preliminary valuation report.

VALUATION METHODOLOGY

Appendix II provides an introduction to valuation theory and a description of valuation methods used in the past. For a valuation of the Tinta Hill Deposit, we have relied largely on the adjusted discounted cash flow approach, although other methods were utilized as "tests of reasonableness".

Adjusted Discounted Cash Flow (DCF)

If cash flows can be estimated or projected with some degree of certainty, the DCF method is the preferred one. Such cash flows are then discounted at an appropriate rate (considering the risk factors) to obtain a net present value.

For properties at a sufficiently advanced stage that potential tonnage and grade is indicated, one can use a combination of the DCF method and a probability application. This probability is based on a judgement of the likelihood of achieving a certain grade and tonnage and, in addition, the chance and timing of proceeding to development.

Other Methods (outlined in more detail in Appendix II)

Other methods that were used as a guide to value are as follows:

1. Committed future expenditures by optionor.
2. Premium or discount on historical costs.
3. Historical costs plus prudent budgetted expenditures.
4. Comparable properties.

Since the foregoing valuation methods are somewhat subjective, there will obviously be a range of values for a particular exploration property depending upon who is preparing the evaluation. However, it is our opinion that the above approaches are based upon a sound understanding of the principles of valuation and are therefore reasonable.

PROPERTY/LOCATION/ACCESS/OWNERSHIP/OPTION

The Tinta Hill Deposit is located approximately 24 air miles northwest of Carmacks, Yukon Territory (see attached Yukon Location map). Access to the property is via the Mount Freegold road to mile post 34 and then north for 7 miles on a good four-wheel-drive road to Tinta Hill. The Tinta Hill Property consists of 72 located claims (see attached claim map) held by Silver Tusk Mines Ltd.

We understand that International Platinum has an option agreement with Silver Tusk Mines whereby International Platinum can earn a 50% interest in the property by meeting the following commitments:

1. Spending at least $1,000,000 on exploration on the property in 1988.
2. Spending at least $2,000,000 on exploration on the property prior to the end of 1989.
3. Completing a feasibility study before the end of 1989.

International Platinum is the operator of the project.

CLIMATE/TOPOGRAPHY/WATER/POWER/SUPPLIES/TRANSPORTATION

Winters are relatively severe with moderate snowfall. Total annual precipitation is approximately 20 inches. The topography is relatively gentle with elevations on the property varying from 3,300 feet to 4,100 feet. Merrice Creek and its tributaries cross the property and have sufficient water for all phases of exploration, development and operation of a mine.

Diesel electric power would be required for the initial stages of development. Most supplies can be obtained from Whitehorse. Transportation of concentrate would likely be by truck to the port of Skagway for shipment to various parts of the world by ship.

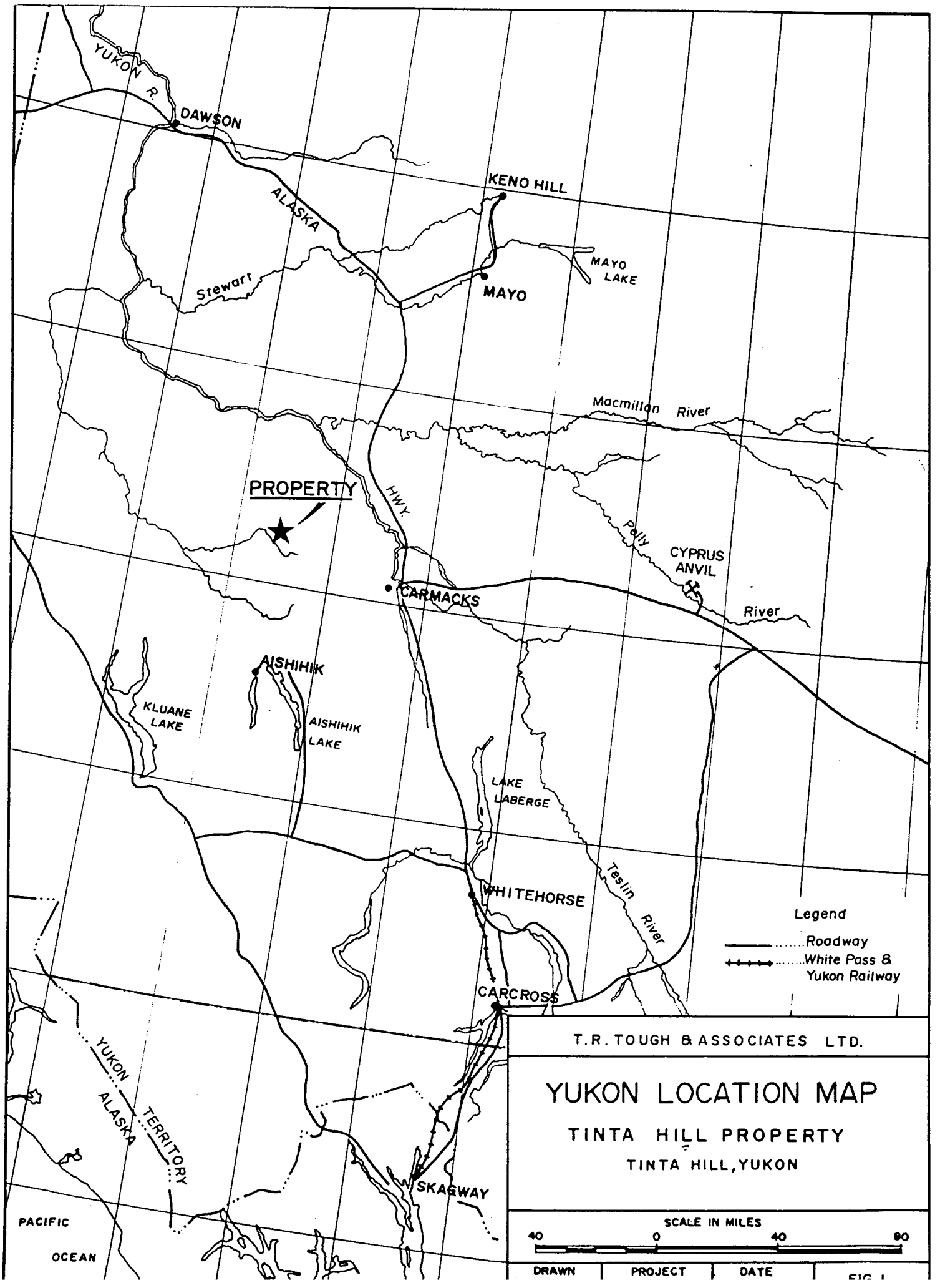
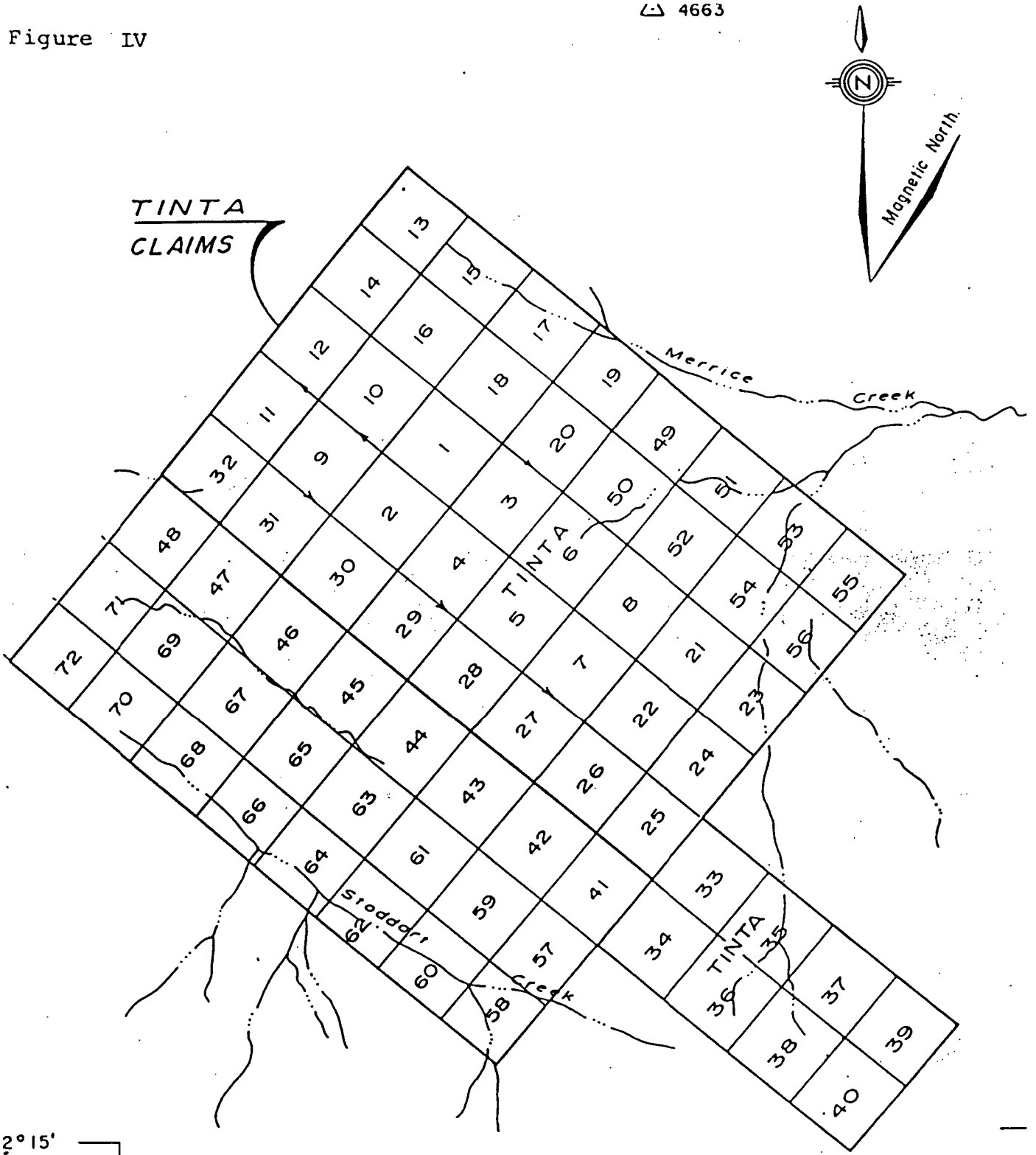

YUKON R.
DAWSON
ALASKA
KENO HILL
MAYO LAKE
MAYO
Stewart
Macmillan River
PROPERTY
HWY.
Pelly
CYPRUS ANVIL
River
CARMACKS
AISHIHIK
KLUANE LAKE
AISHIHIK LAKE
LAKE LABERGE
WHITEHORSE
Teslin River
CARCROSS
YUKON
ALASKA
TERRITORY
SKAGWAY
PACIFIC
OCEAN
Legend
Roadway
White Pass & Yukon Railway
T.R. TOUGH & ASSOCIATES LTD.
YUKON LOCATION MAP
TINTA HILL PROPERTY
TINTA HILL, YUKON
SCALE IN MILES
40 0 40 80
DRAWN
PROJECT
DATE
FIG. 1

Figure IV

△ 4663



PROVINCE OF BRITISH COLUMBIA
PROFESSIONAL ENGINEER
T.R. TOUGH

T.R. TOUGH & ASSOCIATES LTD.

TINTA HILL PROPERTY

CLAIM MAP

TINTA HILL, YUKON

SCALE

FEET 3000 1500 0 3000 FEET

HISTORY/PRIOR EXPENDITURES

Since its discovery in 1930, the Tinta Hill Property has been explored by different companies, but no underground work was initiated until 1980. During the 1980 and 1981 field seasons, 630 feet of crosscut were driven at an elevation of 3,900 feet above sea level, and the veins were drifted on in two directions for a total of 1,066 feet. A second level was driven during the 1981 field season at an elevation of 3,750 feet above sea level. A total of 722 feet of crosscut and 665 feet of drifting was completed. Some 880 samples were cut and assayed on both levels. In 1982, a total of 969 feet were diamond drilled in three holes to test the main zone, and three additional holes were drilled to test other anomalies. A cut-away view along the Tinta Hill Vein and underground plans showing geology are shown on the next pages.

Over $3 million has been spent on exploration and development on the property since its discovery.

GEOLOGY/MINERALIZATION

The property is underlain by granodiorite and quartz diorite, and on the north side of the main shear zone a band of amphibolite occurs. The granodiorite is generally medium-grained, pink-grey, with chloritization of the mafic minerals. Quartz stringers are common, and fractures are usually filled with chlorite or calcite. Alteration is fairly intense in the vicinity of the main shear zone and consists of pink K-feldspar, clay minerals, sericite, chlorite, silicification and epidote.

Mineralization is confined to a shear zone which has a near vertical dip, and reaches a width of 10 feet or more. Quartz veins within the shear contain auriferous pyrite, galena, sphalerite, chalcopyrite and argentiferous tetrahedrite. Pyrite, chalcopyrite, azurite and malachite occur within the wall rocks as veinlets and disseminations.

SILVER TUSK MINES LTD.

TINTA HILL PROPERTY

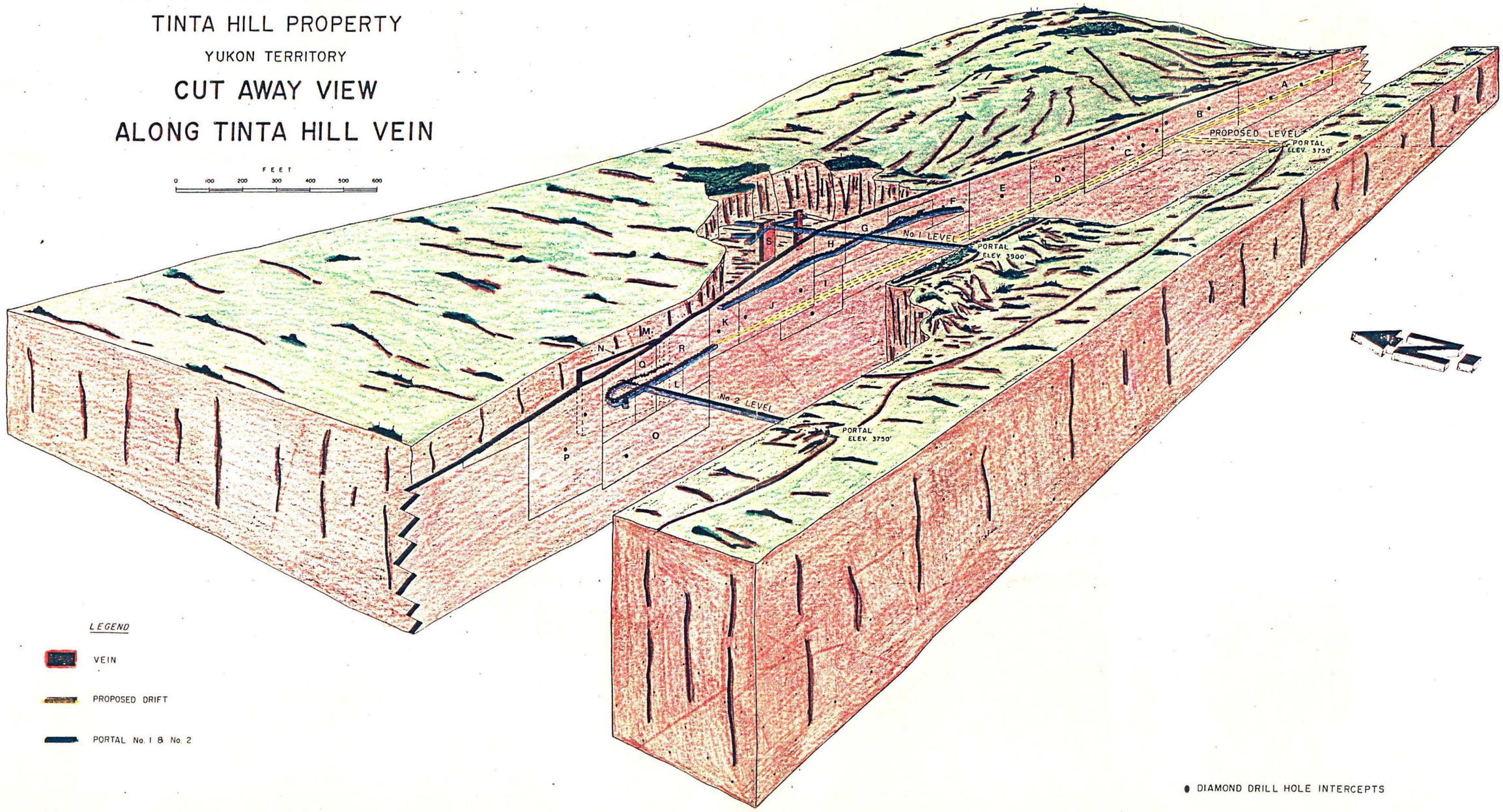
YUKON TERRITORY

CUT AWAY VIEW

ALONG TINTA HILL VEIN

FEET

0 100 200 300 400 500 600



LEGEND

VEIN

PROPOSED DRIFT

PORTAL No. 1 & No. 2

● DIAMOND DRILL HOLE INTERCEPTS

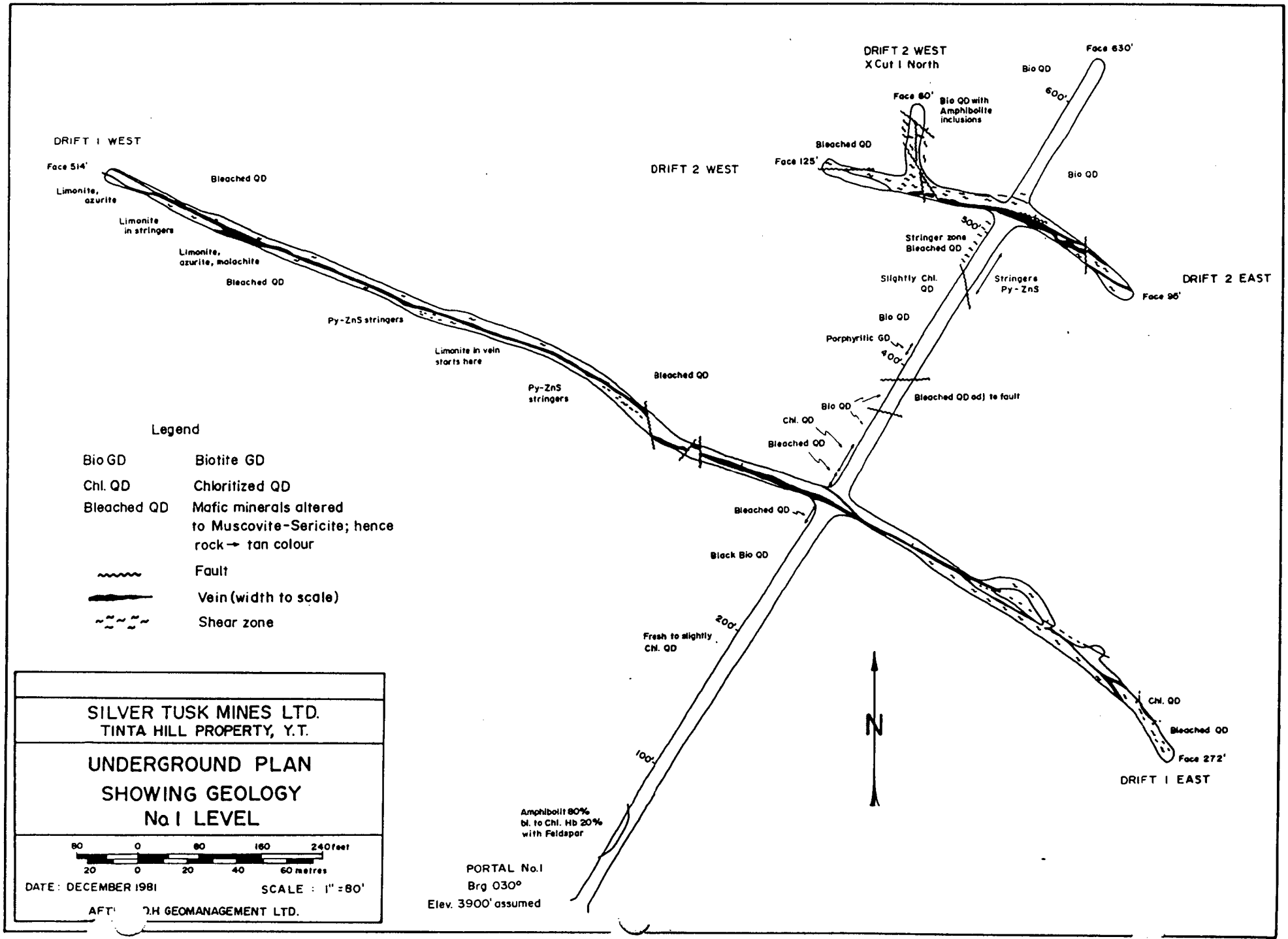

DRIFT 1 WEST
Face 514'
Limonite, azurite
Bleached QD
Limonite in stringers
Limonite, azurite, malachite
Bleached QD
Py-ZnS stringers
Limonite in vein starts here
Py-ZnS stringers
Bleached QD
DRIFT 2 WEST
X Cut 1 North
Face 630'
Bio QD
600'
Face 80'
Bio QD with Amphibolite inclusions
Bleached QD
Face 125'
Bio QD
300'
Stringer zone Bleached QD
Slightly Chl. QD
Stringers Py-ZnS
DRIFT 2 EAST
Face 96'
Bio QD
Porphyritic QD
400'
Bleached QD adj to fault
Bio QD
Chl. QD
Bleached QD
Bleached QD
Black Bio QD
200'
Fresh to slightly Chl. QD
100'
Amphibolit 80% bl. to Chl. Hb 20% with Feldspar
PORTAL No.1
Brg 030°
Elev. 3900' assumed
N
Chl. QD
Bleached QD
Face 272'
DRIFT 1 EAST
Legend
Bio GD Biotite GD
Chl. QD Chloritized QD
Bleached QD Mafic minerals altered to Muscovite-Sericite; hence rock → tan colour
Fault
Vein (width to scale)
Shear zone
SILVER TUSK MINES LTD.
TINTA HILL PROPERTY, Y.T.
UNDERGROUND PLAN
SHOWING GEOLOGY
No 1 LEVEL
80 0 80 160 240 feet
20 0 20 40 60 metres
DATE: DECEMBER 1981
SCALE : 1" = 80'
AFT' D.H GEOMANAGEMENT LTD.

FIG. 2

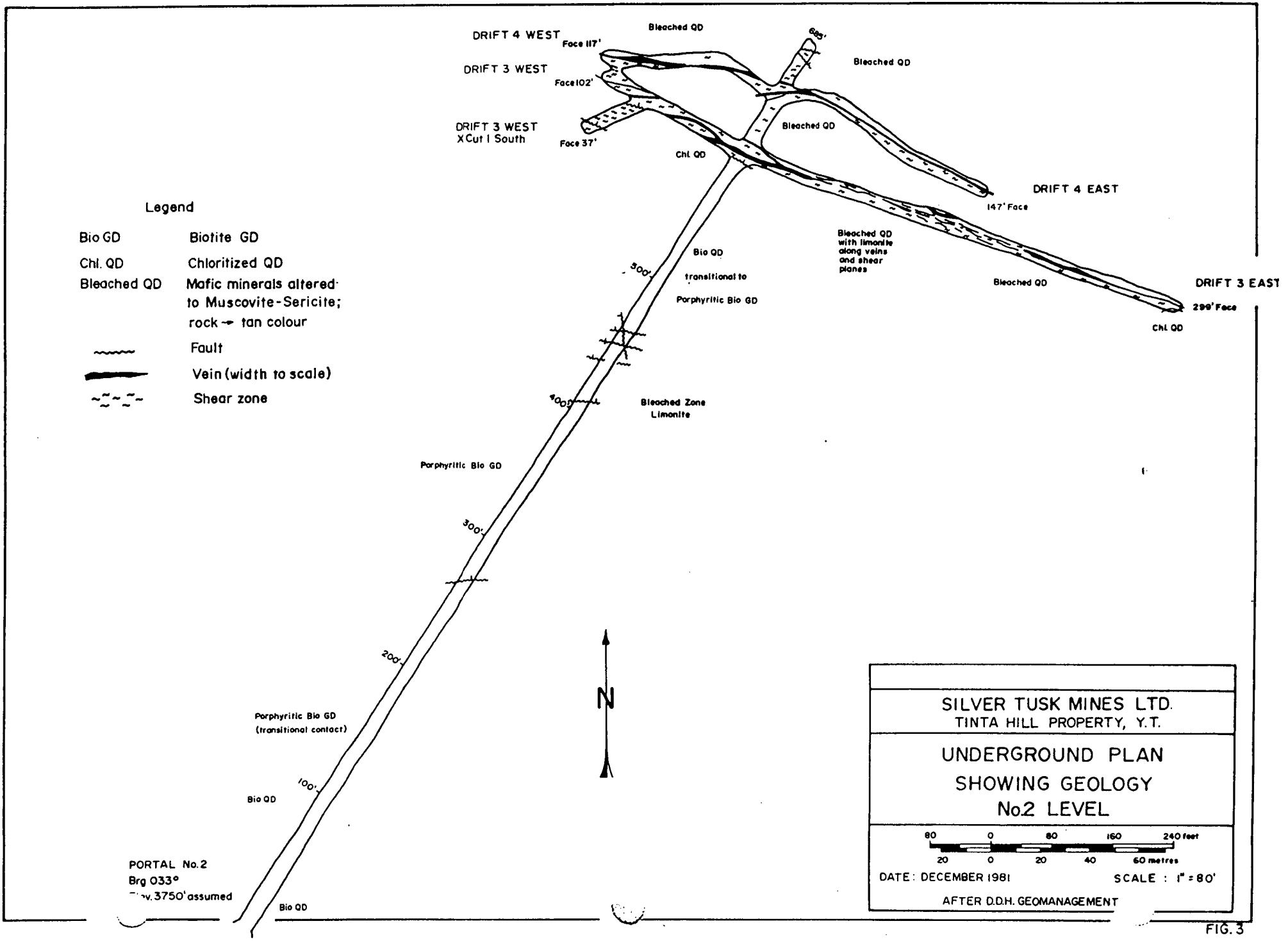

DRIFT 4 WEST
Face 117'
DRIFT 3 WEST
Face 102'
DRIFT 3 WEST
XCut 1 South
Face 37'
Bleached QD
Bleached QD
Bleached QD
Chl. QD
DRIFT 4 EAST
147' Face
Bleached QD with limonite along veins and shear planes
Bleached QD
DRIFT 3 EAST
299' Face
Chl QD
Bio QD
transitional to
Porphyritic Bio GD
500'
400'
Bleached Zone
Limonite
Porphyritic Bio GD
300'
200'
Porphyritic Bio GD
(transitional contact)
100'
Bio QD
Bio QD
PORTAL No. 2
Brg 033°
assumed
N
Legend
Bio GD Biotite GD
Chl. QD Chloritized QD
Bleached QD Mafic minerals altered to Muscovite-Sericite; rock → tan colour
Fault
Vein (width to scale)
Shear zone
SILVER TUSK MINES LTD.
TINTA HILL PROPERTY, Y.T.
UNDERGROUND PLAN
SHOWING GEOLOGY
No.2 LEVEL
80 0 80 160 240 feet
20 0 20 40 60 metres
DATE: DECEMBER 1981
SCALE : 1" = 80'
AFTER D.D.H. GEOMANAGEMENT

FIG. 3

Exploration to date has helped to establish a well-defined mineralized shear zone over a length of some 11,500 feet and open at both ends. The average true thickness of the mineralized zone encountered in diamond drill holes is 5.35 feet (see Appendix IV for some typical cross sections and drill hole results). Based on previous sampling, the surface exposures appear to have an average true thickness of about three feet.

DRILL INDICATED AND INFERRED RESERVES

In September, 1983, Thomas R. Tough, P.Eng., calculated drill indicated and inferred reserves utilizing the weighted average grades of all assays influencing the area along with a tonnage factor of 10 cubic feet per ton. He calculated reserves of 1,875 tons per vertical foot based on the 3,500 feet of zone tested by diamond drill holes. The average true thickness of the zone was 5.35 feet and the average grades were as follows:

Gold	0.075 ounces/ton
Silver	5.35 ounces/ton
Lead	4.71 percent
Zinc	6.03 percent
Copper	0.37 percent
Cadmium	0.049 percent

POTENTIAL RESERVES

The main Tinta Vein is open in three directions: along strike in both directions and to depth. Geophysics has indicated the Tinta Vein zone extends over 11,500 feet, of which only 3,500 feet have been drilled.

Two parallel geophysical anomalies to the north of and similar to the Tinta Vein anomaly suggest similar mineralized zones may be present. Two drillholes in an anomaly conecting the Tinta Vein zone with an anomaly to the north revealed a mineralized zone comparable in width and tenor to the Tinta Vein zone. In addition, other sub-parallel conductors are indicated to the south of the main zone.

In 1982, Dave Howard estimated the potential (based on several assumptions which have yet to be proven) tonnage in two structures at 3,000,000 tons to a depth of 325 feet (the depth of the deepest diamond drill hole to date). This tonnage would obviously be substantially greater if the mineralization continues at depth. However, for purposes of our discounted cash flow analysis, we did not analyze any cases with in-place reserves greater than 3,000,000 tons.

VALUATION DETAILS

In order to prepare a base-case discounted cash flow analysis, we estimated or projected a variety of input parameters as outlined in this section. However, we also determined the impact of changes to some of the parameters, as outlined in the discussion of sensitivity analysis on page 24.

GRADE/TONNAGE/DILUTION

For purposes of our base-case cash flow analysis, we assumed an in-place reserve of 2.4 million tons with an average grade as outlined on page 9. These reserves were diluted by 20% at 20% of the average grade to obtain a mineable reserve of 2.88 million tons (an 8 year life) grading as follows:

Gold	0.07	ounces/ton
Silver	4.7	ounces/ton
Lead	4.1	percent
Zinc	5.3	percent

We did not include any credit or cost for copper or cadmium.

METALLURGICAL RECOVERY/CONCENTRATE GRADE

Bacon, Donaldson and Associates Ltd. carried out a series of flotation tests on core reject samples from the Tinta Hill Property in order to establish the concentrate grades and recoveries to be achieved. Based on those tests, we estimated the concentrate grades to be 60% for both lead and zinc concentrate. In addition, the estimated recoveries are as follows:

Gold:	75 % to the lead concentrate
	5 % to the zinc concentrate
Silver:	88 % to the lead concentrate
	2 % to the zinc concentrate
Lead:	89 % to the lead concentrate
	1 % to the zinc concentrate
Zinc:	80 % to the zinc concentrate
	10 % to the lead concentrate

For purposes of this valuation, we ignored any contribution or cost of the following:

Gold in zinc concentrate
Silver in zinc concentrate
Lead in zinc concentrate
Zinc in lead concentrate

PRODUCTION RATE

We assumed a production rate of 1,000 tons per day for 360 days per year, or a total of 360,000 tons per year. Production was assumed to commence in early 1991.

METAL PRICES/EXCHANGE RATE

The metal price assumptions in U.S. and Canadian dollars (assuming a $1.00 Canadian to $0.77 U.S. exchange rate) are as follows:

	U.S. Dollars	Canadian Dollars
Gold	$475.00	$ 617.00
Silver	$ 6.75	$ 8.77
Lead	$ 0.25	$ 0.325
Zinc	$ 0.45	$ 0.585

MINING METHOD

The mining method which appears most suited to the Silver Tusk deposit is some form of shrinkage stoping. In this method of stoping, the main levels will be driven into the ore zone and spaced vertically at about 200 feet intervals. From these levels, raises will be driven upwards at about 49° and spaced at about 200 feet intervals horizontally. Stoping is then carried out from a sub-drift driven in ore between raises. The stoping is carried out by blasting upwards with the miners standing on the broken ore.

This method affords good support to the side walls of the stope and can enable the ore to be mined with minimal dilution. It has the disadvantage of delaying draw down of the ore until the mining of the stope is complete, however this does allow a substantial underground stockpile of ore to be accumulated.

Dilution

It is estimated that mining of the ore zones by shrinkage methods will involve about 20% dilution of the ore with material of about 20% of the grade of the stoped material.

CAPITAL COSTS

Capital costs, including exploration, development and working capital are shown in Table II and are summarized below, in millions of Canadian dollars:

	1988	1989	1990
Exploration	$1.0	$1.0	
Capital		$6.5	$20.0
Working Capital			4.0
Total	$1.0	$7.5	$24.0

Replacement capital is assumed to be $500,000 per year, commencing in 1991.

Capital costs have been estimated for the Tinta Hill property at a scale of operation of 1,000 tons milled per day.

The estimates are based upon mining by shrinkage methods and on processing of the ore in a flotation mill. It is assumed that the complex will be manned by personnel who will spend seven days on site and seven days "at home" in Whitehorse. Power supply will be by diesel generators located within the mill complex area.

From the table of capital costs it can be seen that the total capital cost estimated for a production complex capable of a sustainable production of 1,000 tons milled per day will be about $26.5 million together with a working cost allowance of about $4.0 million. Hence the total preproduction cash requirement will be about $30.5 million, plus $2.0 million for exploration in 1988 and 1989.

In view of the very preliminary nature of the project development, the above costs must be regarded as indicative of the capital cost rather than a definitive forecast of the actual cost.

TABLE II

TINTA HILL PROJECT

CAPITAL COST ESTIMATES AT 1,000 TONS PER DAY

	1,000 Tons/Day Cost $ Millions
Mine Adit	2.00
Underground Development	1.50
Mine Equipment	0.65
Site Development	1.20
Crushing	1.10
Processing	1.95
Water Supply	1.25
Tailings Disposal and Water Reclaim	0.90
Power Supply and Distribution	3.50
Ancillary Buildings	1.50
Access Road	2.50
Fuel Storage and Surface Mobile Equipment	1.10
Employee Housing	0.75
Sub-total	$19.90
Engineering and Field Supervision	1.99
Administration Costs	1.19
Sub-total	$23.08
Contingency Allowance 15%	3.46
Total Capital Cost	$26.54
Working Capital Allowance	4.00
Total Cash Requirement	$30.54

OPERATING COSTS

Operating cost estimates for the Tinta Hill property have been prepared at a scale of production of 1,000 tons milled per day. These costs are presented in Table III.

From the table it can be seen that the total estimated cost of production will be $63.00 per ton milled.

Cost of mining is estimated at $14.17 per ton while the cost of milling is estimated to be $9.80 per ton. General overhead costs including transportation of employees, housing and recreation facilities is estimated to amount to $13.51 per ton milled. Cost of diesel fuel for the power plant will be a significant portion of the total cost of operation at an estimated cost or $12.08 per ton milled.

In view of the very preliminary nature of the project development, the above costs must be regarded as indicative of the operating cost rather than definitive forecasts.

TABLE III

TINTA HILL PROJECT

ESTIMATED PRODUCTION COST AT 1,000 TONS PER DAY

Area	1,000 Tons/Day
Mining Cost/Ton	14.17
Milling Cost/Ton	9.80
General Overhead Cost/Ton	13.51
Diesel Power Cost/Ton	12.08
Total On-site Cost/Ton	$49.56
Head Office Cost/Ton	5.29
Sub-total	$54.85
Contingency Allowance 15%	8.22
Total Cost of Operation	$63.00

TREATMENT CHARGES/PAYABLES

Zinc concentrate:	Treatment charge $200 Canadian/ton with the payable amount being 85% of content.
Lead concentrate:	Treatment charge $175 Canadian/ton with the payable amount 95% of content.
Silver:	Pay for 95% after deducting one ounce.
Gold:	Pay for 95%

TRANSPORTATION CHARGES

Transportation charges including trucking from the mine to the port of Skagway, loading a ship at Skagway, and ocean shipment to Japan or elsewhere, have been estimated to be $75 per ton of concentrate.

INCOME TAXES AND ROYALTIES

A taxpayer engaged in mining in the Yukon must declare, initially, a taxable operating profit, defined as the revenue obtained from the sale of mineral commodities less the direct cash cost of these sales. From this operating profit, the taxpayer may then deduct a series of non-cash allowances in order to determine net income subject to Federal income taxes. These allowances are described below, in the order in which they may be deducted from operating profit, and reflect the changes proposed in the 1987 Tax Reform White Paper.

Capital Cost Allowance

Taxpayers engaged in the production of mineral resources are permitted to write off the cost of depreciable fixed assets through the mechanism of capital cost allowance. The rate of write-off depends on the class of fixed asset. Although there

are over 30 classes of fixed assets, the major ones, as described below, are Class 10, Class 12 and Class 28.

Class 10 costs, which may be written off at 25% (30% on assets acquired prior to 1988) of the undepreciated capital cost, are those incurred after the mine comes into "commercial production". These costs include those for mining buildings and machinery, processing assets and community or "social" assets providing services to a mining community.

Class 12 costs which, prior to the 1987 Tax Reform White paper, could be written off at 100%, were those incurred after the mine came into commercial production and included clearing, overburden removal and development of mine shafts and main haulage ways. Subsequent to this legislation, the cost of mine shafts and main haulage ways or similar underground work undertaken after the start-up of production will be treated as Canadian Development Expenses (CDE) eligible for a 30% declining balance rate. Overburden removal costs after the start-up of production will be treated as operating costs and deductible as a current expense.

Class 28 assets are those Class 10 assets acquired prior to commercial production or acquired during a major expansion (greater than 25%) of an existing mine. The capital cost allowance is the greater of:

a) 25% (30% on assets acquired before 1988) of the undepreciated capital cost, or

b) the lesser of
   i) income from a new mine or major expansion or
   ii) undepreciated cost.

The half-year rule does not apply to Class 28 when written off against income from the mine.

Resource Allowance

The Federal Government permits the taxpayer to deduct a resource allowance to offset any royalties or duties paid to a province or territory. The resource allowance is equal to 25% of the mining income remaining after deduction of the capital cost allowance.

Exploration Expenses

Exploration expenses include expenses incurred to determine the existence, location, extent and quality of mineral resources in Canada. Excluded are on-site exploration expenses. A principal-business corporation, which is a company whose principal business is mining or oil and gas production, must deduct its unclaimed Canadian Exploration expense to the extent of its remaining income (from any source) before deducting its earned depletion allowance. Any balance not currently deductible is carried forward indefinitely for deduction in future years.

Development Expenses

Preproduction development expenses are those expenses incurred in bringing a mineral resource into commercial production. They include clearing, removing overburden and stripping, as well as the cost of acquiring a resource property. If the expense was incurred after November 16, 1978, then the nature of the expenditure must be reviewed in order to determine the applicable rate. The cost of acquiring a resource property is deductible at a 30% declining rate, and all other development expenditures are deductible at a 100% rate under the same rules which apply to exploration expenses.

Investment Tax Credit

The investment tax credit is a percentage of cost of qualifiable property and is applied against Federal Taxes otherwise payable. The investment tax credit is being eliminated as of 1989, by the 1986 Federal Budget, which phases this deduction out at

the rates of 70% and 30% of the previous maximums in the years 1987 and 1988, respectively.

As a consequence of the 1987 Tax Reform White Paper, ITC will undergo several changes, although its impending phase-out will not be affected. These changes include: allowing only one-half of tax payable to be offset by ITC (reduced from 100%), carry forward is increased to 10 years from 7 years and refunding of 20% of unclaimed credit in any given year was eliminated at the end of 1987.

Earned Depletion Allowance

Prior to the 1987 Tax Reform White Paper, in recognition of the fact that an orebody is a wasting asset and in order to encourage exploration for new orebodies, a mining enterprise was permitted to make a deduction for depletion. This deduction took the form of an additional write-off of capital expenditures over and above the full recovery already permitted through capital cost allowance.

A taxpayer could establish an earned depletion base equal to one-third of the total capital expenditures incurred in bringing a mining property into production. One-third of capital expenditures qualifying as Class 10 processing machinery and equipment could be incorporated within the available earned depletion base in the year in which each particular expenditure was incurred. Subsequent to the Tax Reform legislation, earned depletion is being eliminated. For the period July 1, 1987, to July 1, 1988, earned depletion will remain unchanged, reducing by one-half for the following 12 months and then being eliminated completely.

In respect of the annual amount deductible, a taxpayer may claim the full earned depletion available provided that it does not exceed 25% of the income that remains after deducting all of the allowances previously described.

Federal Tax Rate

The Federal tax rate applies to the income remaining after all of the above deductions have been made. The rate was lowered in the 1986 Federal Budget and lowered again in the 1987 Tax Reform White Paper, as set out below:

	Rate
July 1, 1987 to July 1, 1988	35.00%
July 1, 1988 and beyond	28.00%

According to the White Paper, the 3% surtax on Federal Income Tax is to be removed upon implementation of sales tax reform. However, this 3% surtax has been left in our calculations, and is therefore assumed to offset any increase in sales tax.

YUKON INCOME TAX

The Yukon income tax rate is 10%, and applies to the same "base" as that of the Federal income tax.

YUKON ROYALTIES

Rates on Yearly Value of Output

3% above $ 10,000	and below	$ 1,000,000
5% above $1,000,000	and below	$ 5,000,000
6% above $5,000,000	and below	$10,000,000

plus 1% for every additional $5,000,000 in excess of $10,000,000.

Computation of Value of Output

Gross revenues minus the following:

- Federal and Yukon income tax
- transportation
- refining and smelting
- operating costs
- exploration and development incurred in that year
- overhead
- 15% per year (to a maximum of 100%) of the cost of depreciable assets used in the production of the output
- 15% per year of preproduction development expense

DISCOUNT RATE

We have determined the discount rate based on a weighted average cost of capital approach and an empirical approach. As a result, we estimate that a 10% real after tax discount rate (or approximately 15% with 4½% inflation) is appropriate for this valuation. However, we have provided sensitivity analyses utilizing real rates of 8% and 12%.

VALUATION SUMMARY

Based on the assumptions as set out in the previous sections, we have calculated the after-tax net present value of the total property to be approximately $13.0 million. As a result, International Platinum's 50% interest in the property would be $6.5 million. However, this value must be reduced significantly due to the fact that International Platinum is required to spend $2,000,000 (and complete a feasibility study) to earn its interest, and the fact that a number of the input parameters are only "best estimates" at this time. These imprecise factors include ore reserves, metallurgical recovery, capital costs and operating expenses. As a result, we have reduced the $6.5 million to approximately 20% of the calculated value, or $1.3 million.

Another approach which is sometimes used as an indicator of value is to calculate the historical costs, plus the prudent budgetted expenditures for the next year. Utilizing this approach, one could establish a value of approximately $4 million

for the total property, or approximately $2 million for International Platinum's 50% interest. However, this value must be lowered somewhat in order to reflect the fact that the early expenditures must be provided by International Platinum.

The other approaches, as outlined in the valuation methodology section, indicate a value of over $1 million.

In summary, we estimate that the value of International Platinum's option interest in the Tinta Hill Property is approximately $1.3 million dollars, with a reasonable range being $1.0 to $1.5 million dollars.

SENSITIVITY ANALYSIS

In order to show the impact of varying some of the key input assumptions, a variety of cash flow sensitivities, as summarized below, were run:

	Net Present Values (millions of dollars)	
	100% Interest	50% Interest
6 year mine life	7.6	3.8
8 year mine life (base case)	13.0	6.5
10 year mine life	17.3	8.6
Prices - 10%	26.2	13.1
Prices - 10%	0.8	0.4

RECOMMENDED EXPLORATION PROGRAM

Earlier exploration of the Silver Tusk deposit has included some diamond drilling and underground development. In total about 7,700 feet of diamond drilling and 1,850 feet of development in the main vein have been completed in exploration in various programs completed up until 1982.

Phase I

To further enhance exploration and development of the deposit, it is recommended that a third crosscut (10' x 11') should be driven at an elevation of 3,750 feet for a distance of 700 feet. From this crosscut about 2,000 feet of drift should be driven within the main vein towards the drift from the No. 2 Portal. Sampling should be done across the vein on the face of the drift after each round is taken.

Estimate of Costs of Exploration Program - Phase I

Crosscutting	700	ft.	@$325 /ft.	$ 227,500
Drifting	2,000	ft.	@$325 /ft.	650,000
Assaying	1,500	samples	@$ 20 /sample	30,000
Engineering and supervision				20,000
Contingency allowance				72,500
				$1,000,000

Phase II

On successful completion of the Phase I program, it is recommended that the drift on the 3,750 level be continued for 1,000 feet to link up with the drift from the No. 2 Portal and from this drift raising be undertaken within the ore zone to delineate the vertical continuity of the ore grade material.

Estimate of Costs of Exploration Program - Phase II

Drifting in ore zone	1,000	ft.	@ $325 /ft.	$ 325,000
Raising in ore zone	2,000	ft.	@ $250 /ft.	500,000
Assaying	3,000	sample	@ $ 20 /sample	60,000
Engineering and supervision				20,000
Contingency allowance				95,000
				$1,000,000

It is estimated that the exploratory work described in Phase I would take about four months to complete while Phase II could be completed in about three months.

APPENDIX I

CERTIFICATES OF QUALIFICATION

Ross Glanville, B.A.Sc., P.Eng., M.B.A., C.G.A.

Arthur Fisher, B.Sc., P.Eng., D.B.A.

CERTIFICATE OF QUALIFICATION

I, Ross O. Glanville, of 7415 Pandora Drive, Burnaby, British Columbia, Canada, hereby certify that:

(1) I am a B.A.Sc. (Mining Engineering) graduate from the University of British Columbia (1970).

(2) I hold a Masters Degree in Business Administration (M.B.A.) from the University of British Columbia (1974).

(3) I am a registered member of the Association of Professional Engineers of British Columbia, and have been since 1972.

(4) I am a registered member of the Certified General Accountants Association of British Columbia.

(5) I am President of Glanville Management Ltd., a company specializing in the valuations of exploration properties and mining companies.

(6) I have been practising my mining engineering profession since 1970 and have valued exploration and mining properties in many parts of Canada and the U.S.A., as well as in other areas of the world.

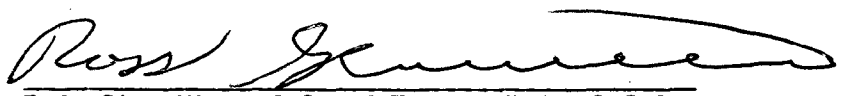
(7) I was formerly President of Giant Bay Resources Ltd. and Vice President - Valuations of Wright Engineers Limited, a large international mining, engineering and consulting company. Prior to that I was a mining engineer and transportation manager with Placer Development Ltd., and a mining and project analyst with two major investment holding companies.

(8) My report is based on a review of information provided to me by International Platinum Ltd. and Silver Tusk Mines Ltd., as well as discussions with the professional engineers and geologists familiar with the property.

(9) I have no direct interest, nor do I expect to receive any interest, either directly or indirectly in International Platinum Ltd.

(10) I herewith grant my permission for International Platinum Ltd. to use this report for whatever purpose they deem necessary.

DATED in Vancouver, British Columbia, on this 25th day of January, 1988.



R.O. Glanville, B.A.Sc., P.Eng., M.B.A., C.G.A.

ARTHUR T. FISHER & ASSOCIATES LIMITED

3383 Marine Drive
West Vancouver, B.C.
V7V 1N1

CERTIFICATE

I, Arthur T. Fisher, Mining Consultant of

Arthur T. Fisher & Associates Limited
3383 Marine Drive
West Vancouver, B.C.
V7V 1N1

do hereby certify that:

(1) I am a B.Sc. (Mining) graduate from the University of Edinburgh (1963).

(2) I hold a Diploma in Business Administration from the University of Edinburgh (1968).

(3) I am a registered member of the Association of Professional Engineers in the Province of Ontario, Alberta and British Columbia.

(4) I am registered as a Chartered Engineer, London, England.

(5) I have practiced as a Consulting Mining Engineer in Canada continuously since 1975.

(6) During the period 1980 - 1985 I was Vice-President, Mining of Erickson Gold Mines Ltd. and in that capacity was in direct control of a 300 ton per day operation in northern British Columbia and a second 300 ton per day operation in southern Yukon.

(7) I have no direct interest, nor do I expect to receive any interest, either directly or indirectly in International Platinum Ltd.

(8) I herewith grant my permission for International Platinum Ltd. to use this report for whatever purpose they deem necessary.

DATED in Vancouver, British Columbia, on this 25th day of January, 1988.

Arthur T. Fisher, P.Eng.

APPENDIX II

VALUATION METHODOLOGIES

APPENDIX II

VALUATION METHODOLOGIES

This section provides an introduction to valuation theory and a description of valuation methods used in the past.

INTRODUCITON

There are a variety of appropriate methods for valuing mineral properties depending upon the stage, or status, of the property from initial exploration through to production. Some of these stages are outlined below:

1) Hypothetical analysis
2) Regional program
3) Anomalies
4) Claims staked (based on anomaly)
5) Claims staked (based on "hot" area)
6) Additional geological, geochemical or geophysical data
7) Development of a model for a target deposit
8) One drill hole in a mineralized zone
9) Two drill holes in a mineralized zone
10) Three drill holes to define a plane of mineralization
11) Additional drill holes for establishing inferred reserves
12) Preliminary feasibility study
13) Enough holes to define proven, probable and possible ore
14) Exploratory development
15) Feasibility study
16) Construction of mine/mill
17) Producing mine

Some of the factors that affect the valuation of mining properties, especially at the earlier stages are:

1) Local geological controls (faults, contacts, etc.)
2) Exploration and/or mining history of the area
3) General mining activity in the area
4) Comparison to similar geological settings elsewhere in the world
5) The "track record" of the exploration geologists
6) Presence of valuable minerals or metals (in situ stockpiles, dumps, tailings, etc.)
7) Proximity to known reserves
8) Staked, leased, or freehold claims
9) Infrastructure in place
10) Remoteness
11) Environmental sensitivities
12) Projected metal prices
13) General economic and political climate
14) Specific interests of a party bidding for the property

VALUATION METHODS USED IN THE PAST

A listing of the valuation methods, followed by brief descriptions of the methods that have been used in the past, is provided below:

1) Net present value (NPV) or discounted cash flow (DCF) method
2) The DCF method applied to a target or model deposit with the resulting value reduced by a factor to reflect the probability of achieving the target
3) Committed future expenditures by optionor plus the additional expenditures required to earn an interest times a probability of making the non-committed expenditure
4) Premium or discount on historical costs
5) Historical costs plus prudent expenditures for the next phase of work
6) Prices paid for comparable properties
7) Share price history
8) Market premium to, or discount from, share price
9) Book value per financial statements

10) Price/earnings ratio
11) Price/cash flow ratio
12) Statistical or probabilistic method
13) Replacement value of mine/mill complex
14) Value per ton of ore in the ground
15) Payback period

1) Net Present Value (NPV) or Discounted Cash Flow (DCF)

If cash flows can be estimated or projected with some degree of certainty, the DCF method is the preferred one. Such cash flows are then discounted at an appropriate rate (considering the risk factors) to obtain a net present value.

Some of the requirements, or inputs, for the valuation of a mining property via the DCF approach are: Geology and Mineral Inventory; Mineable Ore Reserves (mining dilution); Mining Method; Metallurgy-Research; Metallurgy-Design (metallurgical recovery); Ancillary Services; Capital Costs; Operating Costs; Marketing; Rights, Ownership; Environmental Impact; Socio-Economic Impact; and Financial Analysis.

The DCF Method accounts for all cash inflows (or revenue) and outflows (or expenses) such as capital costs, operating costs and income taxes. It also accounts for risk, inflation and the cost of money (interest). The DCF method is forward looking (that is, past expenditures are irrelevant and is general in application.

2) DCF Adjusted to Reflect the Probability of Success

For properties at a sufficiently advanced stage such that grade and tonnage can be estimated or projected, one can use a combination of the discounted cash flow method and a probability application. This probability is based on a judgement of the likelihood of achieving a certain grade and tonnage, and, in addition, the chance and timing of proceeding to development.

3) Committed Future Expenditures by Optionor

One can determine the committed future expenditures by an optionor plus the additional expenditures required to earn an interest in the property times a probability of the non-committed expenditures bieng made. These expenditures should be further reduced by a discount rate to reflect the timing of the expenditures. One can then calculate the value ascribed to the optionee's remaining interest in the property.

4) Premium or Discount on Historical Costs

This method implies a property is worth what has been spent on it (sometimes adjusted to present day dollars by an inflation index), plus a premium if the results are good, or a discount if the results are poor. However, expenditures on a property are not necessarily indicative of value and a premium or discount is a subjective factor. Nevertheless, there is some correlation between costs and results.

5) Historical Costs plus Prudent Budgetted Expenditures

This method simply utilizes past costs and adds the budgetted costs of the next phase of the work. As stated in "4" above, costs are not necessarily a good indicator of value. In addition, adding the costs of the next phase of work ignores the fact that expenditures have to be made (that is, an outlay of cash, which is a negative factor) in order to generate the value. Presumably, though, one budgets future expenditures on the expectation that the expended dollars will add at least that much in value. However, in order for this method to work, the added value has to be twice the budgetted expenditures for the next phase of the work. Although this is possible, the added value could just as easily be less than the expenditures or many times the expenditures.

6) Comparable Properties

This method has been used to establish a value based on a known transaction price of a comparable orebody. In mining, unlike oil and gas, there are no true comparables. each property is unique with regard to geology, costs, infrastructure and some of the other factors mentioned earlier.

7) Share Price History

This method can give an indication of value, but is only applicable if the shares are listed on a public exchange, and if the company's only major asset is the property to be valued. In addition, the price of a few shares sold is not necessarily reflective of what you could sell all the shares for.

8) Market Premium or Discount on Share Price

This method applies a premium or discount to a market price of a share. The method is subjective, but historical premiums and discounts (based on acquisitions) can be used as a guide to value.

9) Book Value

For exploration companies that capitalize exploration costs until a production or abandonment decision, this method is of litle value. You may have unwisely spent exploration dollars, yet they appear on your books as assets. Conversely you may have spent very few dollars, but have a very valuable orebody.

10) **Price/Earnings Multiple**

This method estimates earnings, which are multiplied by a price/earnings (P/E) multiple. The method is useful for a producing mine or company but is not as good as the discounted cash flow approach. Book items such as amortization and depreciation, whch do not affect cash flow, can produce unrealistic values.

11) **Price/Cash Flow Ratio**

This method estimates cash flows which are then multiplied by a price/cash flow multiple typical of the mining industry. Although this method is acceptable for operating mines, it is not of much value for developing mines where the construction capital has not yet been spent.

12) **Statistical or Probabilistic Method**

This method is based on a statistical analysis of the average value of an economic deposit (mine), the chance of discoveries becoming economic and of anomalies (drill targets) becoming discoveries. This method is somewhat subjective.

13) **Replacement Value**

What it costs to build a new mine/mill complex is not relevant to the value of a particular deposit. The mine/mill complex only has a value insofar as it enables one to generate cash flow. Only the salvage or disposal value is relevant if you cannot generate cash flow.

14) **Value per ton of Ore in the Ground**

This method is extremely arbitrary since the material in the ground has no value until you establish the relationship between grades, recovery, metal prices, costs and so on.

15) Payback Period

This determines when all your investment is repaid and ignores the impact of cash flow in later years. For example, you could invest $100 million and demand a four year payback. However, your returns could be $20 million a year for four years (which doesn't payback in four years) and then be $200 million in year 5. The arbitrary application of the payback method would eliminate this good investment. In addition, the payback method ignores the time value of money (interest). The payback method is useful, though, when investing in politically unstable areas.

APPENDIX III

COMPUTER CASH FLOWS OF 100% OF

TINTA HILL DEPOSIT

LEAD/ZINC PROPERTY BASE CASE 8 YEARS

OPERATING SUMMARY

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	ACCUM
ORE MILLED (000 TONS)	0	0	0	360	360	360	360	360	360	360	360	0	2880
GRADES													
ZINC (%)	0.000	0.000	0.000	5.300	5.300	5.300	5.300	5.300	5.300	5.300	5.300	5.300	0.000
LEAD (%)	0.000	0.000	0.000	4.100	4.100	4.100	4.100	4.100	4.100	4.100	4.100	4.100	36.900
GOLD (OZ/TON)	0.000	0.000	0.000	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.630
SILVER (OZ/TON)	0.000	0.000	0.000	4.700	4.700	4.700	4.700	4.700	4.700	4.700	4.700	4.700	42.300
RECOVERIES													
ZINC (%)	0.000	0.000	0.000	80.000	80.000	80.000	80.000	80.000	80.000	80.000	80.000	80.000	720.000
LEAD (%)	0.000	0.000	0.000	89.000	89.000	89.000	89.000	89.000	89.000	89.000	89.000	89.000	801.000
GOLD (%)	0.000	0.000	0.000	75.000	75.000	75.000	75.000	75.000	75.000	75.000	75.000	75.000	675.000
SILVER (%)	0.000	0.000	0.000	88.000	88.000	88.000	88.000	88.000	88.000	88.000	88.000	88.000	792.000
CONCENTRATE PRODUCTION (000 TONS)													
ZN CONCENTRATE (%)	0.000	0.000	0.000	60.000	60.000	60.000	60.000	60.000	60.000	60.000	60.000	60.000	540.000
PB CONCENTRATE (%)	0.000	0.000	0.000	60.000	60.000	60.000	60.000	60.000	60.000	60.000	60.000	60.000	540.000
CONTAINED GOLD (OZ/TON)	0.000	0.000	0.000	0.863	0.863	0.863	0.863	0.863	0.863	0.863	0.863	0.000	6.906
CONTAINED SILVER (OZ/TON)	0.000	0.000	0.000	68.008	68.008	68.008	68.008	68.008	68.008	68.008	68.008	0.000	544.061
ZN CONCENTRATE (000 TONS)	0	0	0	25	25	25	25	25	25	25	25	0	204
PB CONCENTRATE (000 TONS)	0	0	0	22	22	22	22	22	22	22	22	0	175
SMELTER CHARGES ($CDN/TON)													
ZINC CONCENTRATE													
TRANSPORTATION	0.00	0.00	0.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	675.00
TREATMENT	0.00	0.00	0.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	1800.00
PAYABLE ZINC (%)	0.00	0.00	0.00	85.00	85.00	85.00	85.00	85.00	85.00	85.00	85.00	85.00	765.00
LEAD CONCENTRATE													
TRANSPORTATION	0.00	0.00	0.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	675.00
TREATMENT	0.00	0.00	0.00	175.00	175.00	175.00	175.00	175.00	175.00	175.00	175.00	175.00	1575.00
PAYABLE LEAD (%)	0.00	0.00	0.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	855.00
PAYABLE GOLD (%)	0.00	0.00	0.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	855.00
PAYABLE SILVER (%)	0.00	0.00	0.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	855.00
UNIT DEDUCTION (OZ/TON)	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	9.00
METAL PRICES													
ZINC (/LB)	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	5.40
LEAD (/LB)	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	3.00
GOLD (/OZ)	475.00	475.00	475.00	475.00	475.00	475.00	475.00	475.00	475.00	475.00	475.00	475.00	5700.00
SILVER (/OZ)	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	81.00
METAL REVENUE ($US MILLIONS)													
ZINC REVENUE	0.000	0.000	0.000	11.677	11.677	11.677	11.677	11.677	11.677	11.677	11.677	0.000	93.415
LEAD REVENUE	0.000	0.000	0.000	6.240	6.240	6.240	6.240	6.240	6.240	6.240	6.240	0.000	49.918
PLUS GOLD CREDITS	0.000	0.000	0.000	8.529	8.529	8.529	8.529	8.529	8.529	8.529	8.529	0.000	68.229
PLUS SILVER CREDITS	0.000	0.000	0.000	9.408	9.408	9.408	9.408	9.408	9.408	9.408	9.408	0.000	75.260
METAL REVENUE ($US)	0.000	0.000	0.000	35.853	35.853	35.853	35.853	35.853	35.853	35.853	35.853	0.000	286.823
EXCHANGE RATE	1.299	1.299	1.299	1.299	1.299	1.299	1.299	1.299	1.299	1.299	1.299	1.299	15.584
METAL REVENUE ($CDN)	0.000	0.000	0.000	46.562	46.562	46.562	46.562	46.562	46.562	46.562	46.562	0.000	372.496
LESS TRANSPORTATION	0.000	0.000	0.000	3.550	3.550	3.550	3.550	3.550	3.550	3.550	3.550	0.000	28.400
LESS TREATMENT	0.000	0.000	0.000	8.919	8.919	8.919	8.919	8.919	8.919	8.919	8.919	0.000	71.355
NET MINE REVENUE ($CDN)	0.000	0.000	0.000	34.093	34.093	34.093	34.093	34.093	34.093	34.093	34.093	0.000	272.740

WELOFF FINANCIAL SYSTEM 88/ 1/19

LEAD/ZINC PROPERTY BASE CASE 8 YEARS

CASHFLOW SUMMARY ($CDN MLN)

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	ACCUM
ORE MILLED (000 TONS)	0	0	0	360	360	360	360	360	360	360	360	0	2880
REVENUE (CDN$)	0.000	0.000	0.000	34.093	34.093	34.093	34.093	34.093	34.093	34.093	34.093	0.000	272.740
- MINING COSTS	0.000	0.000	0.000	22.680	22.680	22.680	22.680	22.680	22.680	22.680	22.680	0.000	181.440
PRE-TAX OPERATING PROFIT	0.000	0.000	0.000	11.413	11.413	11.413	11.413	11.413	11.413	11.413	11.413	0.000	91.301
- FEDERAL INCOME TAX PAI	0.000	0.000	0.000	0.000	0.000	0.268	2.054	2.389	2.382	2.376	2.138	0.000	11.608
- YUKON INCOME TAX PAID	0.000	0.000	0.000	0.000	0.000	0.093	0.712	0.828	0.826	0.824	0.741	0.000	4.025
- YUKON ROYALTY PAID	0.000	0.000	0.000	0.353	0.349	0.323	0.183	0.157	0.154	0.223	0.416	0.000	2.158
TOTAL TAXES PAID	0.000	0.000	0.000	0.353	0.349	0.684	2.950	3.374	3.361	3.423	3.296	0.000	17.790
CASH FLOW BEFORE CAPITAL	0.000	0.000	0.000	11.059	11.064	10.729	8.463	8.038	8.051	7.989	8.117	0.000	73.510
-MINE CAPITAL	0.000	4.300	13.300	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	17.600
-EXPLORATION	1.000	3.200	6.700	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	10.900
-WORKING CAPITAL	0.000	0.000	4.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4.000
-SUSTAINING ;NON-PROCE	0.000	0.000	0.000	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.000	0.000	3.500
+WORKING CAPITAL RECOV	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4.000	0.000	4.000
TOTAL CAPITAL COSTS	1.000	7.500	24.000	0.500	0.500	0.500	0.500	0.500	0.500	0.500	-4.000	0.000	32.000
NET EQUITY CASH AVAILABL	-1.000	-7.500	-24.000	10.559	10.564	10.229	7.963	7.538	7.551	7.489	12.117	0.000	41.510
ACCUMULATIVE TOTAL	-1.000	-8.500	-32.500	-21.941	-11.377	-1.148	6.814	14.353	21.904	29.393	41.510	41.510	0.000
DISCOUNTED NCF (6 PCT)	-0.971	-6.872	-20.747	8.611	8.127	7.424	5.452	4.870	4.602	4.306	6.572	0.000	21.373
DISCOUNTED NCF (8 PCT)	-0.962	-6.682	-19.799	8.066	7.471	6.699	4.828	4.233	3.926	3.605	5.401	0.000	16.785
DISCOUNTED NCF (10 PCT)	-0.953	-6.501	-18.912	7.564	6.879	6.056	4.286	3.688	3.359	3.028	4.454	0.000	12.949
DISCOUNTED NCF (12 PCT)	-0.945	-6.328	-18.079	7.102	6.344	5.484	3.812	3.222	2.882	2.552	3.686	0.000	9.733
RATE OF RETURN% PRE-TAX	0.00	0.00	0.00	0.00	0.00	0.32	11.37	17.87	21.91	24.55	26.97	26.97	26.97
RATE OF RETURN% AFT TAX	0.00	0.00	0.00	0.00	0.00	0.00	7.43	12.92	16.58	19.07	21.76	21.76	21.76

LEAD/ZINC PROPERTY BASE CASE 8 YEARS

FEDERAL AND YUKON INCOME TAXES - PAGE 3

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	ACCUM
OPERATING PROFIT	0.000	0.000	0.000	11.413	11.413	11.413	11.413	11.413	11.413	11.413	11.413	0.000	91.301
-INVENTORY CREDIT	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
-CLASS 28 CCA	0.000	0.000	0.000	0.000	8.134	9.496	0.000	0.000	0.000	0.000	0.000	0.000	17.600
-CLASS 10 CCA	0.000	0.000	0.000	0.000	0.187	0.266	0.324	0.368	0.401	0.426	1.528	0.000	3.500
-CLASS X CCA	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
-RESOURCE ALLOWANCE	0.000	0.000	0.000	2.853	0.780	0.413	2.772	2.761	2.753	2.747	2.471	0.000	17.550
-NET INTEREST EXPENSE	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
-FOREIGN EXPLORATION	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
-CANADIAN DEVELOPMENT	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
-SUCCESSOR E + D EXPEN	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
-CDN EXPLORATION + DEV	0.000	0.000	0.000	8.559	2.341	0.000	0.000	0.000	0.000	0.000	0.000	0.000	10.900
-EARNED DEPLETION	0.000	0.000	0.000	0.000	0.000	0.310	1.193	0.000	0.000	0.000	0.000	0.000	1.502
FEDERAL TAXABLE INCOME	0.000	0.000	0.000	0.000	0.000	0.929	7.123	8.283	8.259	8.240	7.414	0.000	40.248
+LOSS CARRY FORWARD CR	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
-LOSS CARRY FORWARD CL	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
NET FEDERAL TAXABLE INCO	0.000	0.000	0.000	0.000	0.000	0.929	7.123	8.283	8.259	8.240	7.414	0.000	40.248
FEDERAL TAX CALCULATED	0.000	0.000	0.000	0.000	0.000	0.268	2.054	2.389	2.382	2.376	2.138	0.000	11.608
+TAX LOSS CARRY BACK	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
-INVESTMENT TAX CREDIT	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
-ITC LOSS CARRY-BACK	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
-ITC CASH CREDIT	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
FEDERAL TAX LIABLE	0.000	0.000	0.000	0.000	0.000	0.268	2.054	2.389	2.382	2.376	2.138	0.000	11.608
FEDERAL TAX PAID	0.000	0.000	0.000	0.000	0.000	0.268	2.054	2.389	2.382	2.376	2.138	0.000	11.608
YUKON INCOME TAXES													
TAXABLE INCOME	0.000	0.000	0.000	0.000	0.000	0.929	7.123	8.283	8.259	8.240	7.414	0.000	40.248
TAX PAYABLE (10 PCT)	0.000	0.000	0.000	0.000	0.000	0.093	0.712	0.828	0.826	0.824	0.741	0.000	4.025
YUKON TAX PAID	0.000	0.000	0.000	0.000	0.000	0.093	0.712	0.828	0.826	0.824	0.741	0.000	4.025

YUKON ROYALTY - PAGE 4

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	ACCUM
OPERATING PROFIT	0.000	0.000	0.000	11.413	11.413	11.413	11.413	11.413	11.413	11.413	11.413	0.000	91.301
- FEDERAL TAX	0.000	0.000	0.000	0.000	0.000	0.268	2.054	2.389	2.382	2.376	2.138	0.000	11.608
- YUKON INCOME TAX	0.000	0.000	0.000	0.000	0.000	0.093	0.712	0.828	0.826	0.824	0.741	0.000	4.025
- EXPLORATION ALLOWANC	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
- DEVELOPMENT ALLOWANC	0.000	0.000	0.000	1.635	1.635	1.635	1.635	1.635	1.635	1.090	0.000	0.000	10.900
- DEPRECIATION ALLOWAN	0.000	0.000	0.000	2.715	2.790	2.865	2.940	3.015	3.090	2.260	0.425	0.350	20.450
INCOME SUBJECT TO ROYALT	0.000	0.000	0.000	7.063	6.988	6.552	4.071	3.545	3.480	4.862	8.108	0.000	44.668
AVERAGE ROYALTY RATE (PC	0.000	0.000	0.000	5.005	4.994	4.927	4.501	4.427	4.417	4.582	5.133	0.000	4.831
ROYALTY LIABLE	0.000	0.000	0.000	0.353	0.349	0.323	0.183	0.157	0.154	0.223	0.416	0.000	2.158
ROYALTY PAID	0.000	0.000	0.000	0.353	0.349	0.323	0.183	0.157	0.154	0.223	0.416	0.000	2.158

CCA ACCOUNTS FOR FEDERAL INCOME TAX - PAGE 6

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	ACCUM
A. CLASS 28 CAPITAL COST ALLOWANCE													
OPENING BALANCE	0.000	0.000	4.300	17.600	17.600	9.496	0.000	0.000	0.000	0.000	0.000	0.000	0.000
+PROJECT COSTS	0.000	4.300	13.300	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	17.600
+PREPRODUCTION INTERES	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
-INVESTMENT TAX CREDIT	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
SUBTOTAL	0.000	4.300	17.600	17.600	17.600	9.496	0.000	0.000	0.000	0.000	0.000	0.000	17.600
CLASS 28 CCA AVAILABLE	0.000	2.150	10.950	17.600	17.600	9.496	0.000	0.000	0.000	0.000	0.000	0.000	17.600
-CLASS 28 CCA CLAIMED	0.000	0.000	0.000	0.000	8.104	9.496	0.000	0.000	0.000	0.000	0.000	0.000	17.600
CLOSING BALANCE	0.000	4.300	17.600	17.600	9.496	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
B. FEDERAL CLASS 10 - 25 PCT DECLINING BALANCE													
OPENING BALANCE	0.000	0.000	0.000	0.000	0.500	0.812	1.047	1.223	1.354	1.453	1.528	0.000	0.000
+ADDITIONS	0.000	0.000	0.000	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.000	0.000	3.500
-SALVAGE	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
-INVESTMENT TAX CREDIT	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
SUBTOTAL	0.000	0.000	0.000	0.500	1.000	1.312	1.547	1.723	1.854	1.953	1.528	0.000	3.500
CLASS 10 CCA AVAILABLE	0.000	0.000	0.000	0.062	0.187	0.266	0.324	0.368	0.401	0.426	1.528	0.000	3.500
-CLASS 10 CCA CLAIMED	0.000	0.000	0.000	0.000	0.187	0.266	0.324	0.368	0.401	0.426	1.528	0.000	3.500
CLOSING BALANCE	0.000	0.000	0.000	0.500	0.812	1.047	1.223	1.354	1.453	1.528	0.000	0.000	0.000
C. TOTAL FEDERAL CCA CLAIMED													
CCA AVAILABLE	0.000	2.150	10.950	17.662	17.787	9.761	0.324	0.368	0.401	0.426	1.528	0.000	21.100
CCA CLAIMED	0.000	0.000	0.000	0.000	8.292	9.761	0.324	0.368	0.401	0.426	1.528	0.000	21.100

WELOFF FINANCIAL SYSTEM 88/ 1/19

LEAD/ZINC PROPERTY BASE CASE 8 YEARS

FEDERAL EXPLORATION, DEVELOPMENT, DEPLETION SCHEDULE-PAGE 9

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	ACCUM
A. EXPLORATION + DEVELOPMENT EXPENSES													
OPENING BALANCE	0.000	1.000	4.200	10.900	2.341	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
ADDITIONS	1.000	3.200	6.700	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	10.900
PRE-PRODUCTION INTEREST	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
SUBTOTAL	1.000	4.200	10.900	10.900	2.341	0.000	0.000	0.000	0.000	0.000	0.000	0.000	10.900
ALLOWANCE AVAILABLE	1.000	4.200	10.900	10.900	2.341	0.000	0.000	0.000	0.000	0.000	0.000	0.000	10.900
-ALLOWANCE CLAIMED	0.000	0.000	0.000	8.559	2.341	0.000	0.000	0.000	0.000	0.000	0.000	0.000	10.900
CLOSING BALANCE	1.000	4.200	10.900	2.341	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
B. DEVELOPMENT EXPENSES (30 PCT)													
OPENING BALANCE	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
ADDITIONS	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
SUBTOTAL	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
-ALLOWANCE CLAIMED	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
CLOSING BALANCE	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
C. DEPLETION ALLOWANCE													
OPENING BALANCE	0.000	0.250	1.502	1.502	1.502	1.502	1.193	0.000	0.000	0.000	0.000	0.000	0.000
ADDITIONS	0.250	1.252	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.502
SUBTOTAL	0.250	1.502	1.502	1.502	1.502	1.502	1.193	0.000	0.000	0.000	0.000	0.000	1.502
TAXABLE INCOME LIMIT	0.000	0.000	0.000	0.000	0.000	0.310	2.079	2.071	2.065	2.060	1.853	0.000	10.438
-ALLOWANCE CLAIMED	0.000	0.000	0.000	0.000	0.000	0.310	1.193	0.000	0.000	0.000	0.000	0.000	1.502
CLOSING BALANCE	0.250	1.502	1.502	1.502	1.502	1.193	0.000	0.000	0.000	0.000	0.000	0.000	0.000

********** LEAD/ZINC PROPERTY METAL PRICES +10% 8 YEARS **********

OPERATING SUMMARY

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	ACCUM
ORE MILLED (000 TONS)	0	0	0	360	360	360	360	360	360	360	360	0	2880
GRADES													
ZINC (%)	0.000	0.000	0.000	5.300	5.300	5.300	5.300	5.300	5.300	5.300	5.300	5.300	0.000
LEAD (%)	0.000	0.000	0.000	4.100	4.100	4.100	4.100	4.100	4.100	4.100	4.100	4.100	36.900
GOLD (OZ/TON)	0.000	0.000	0.000	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.630
SILVER (OZ/TON)	0.000	0.000	0.000	4.700	4.700	4.700	4.700	4.700	4.700	4.700	4.700	4.700	42.300
RECOVERIES													
ZINC (%)	0.000	0.000	0.000	80.000	80.000	80.000	80.000	80.000	80.000	80.000	80.000	80.000	720.000
LEAD (%)	0.000	0.000	0.000	89.000	89.000	89.000	89.000	89.000	89.000	89.000	89.000	89.000	801.000
GOLD (%)	0.000	0.000	0.000	75.000	75.000	75.000	75.000	75.000	75.000	75.000	75.000	75.000	675.000
SILVER (%)	0.000	0.000	0.000	88.000	88.000	88.000	88.000	88.000	88.000	88.000	88.000	88.000	792.000
CONCENTRATE PRODUCTION (000 TONS)													
ZN CONCENTRATE (%)	0.000	0.000	0.000	60.000	60.000	60.000	60.000	60.000	60.000	60.000	60.000	60.000	540.000
PB CONCENTRATE (%)	0.000	0.000	0.000	60.000	60.000	60.000	60.000	60.000	60.000	60.000	60.000	60.000	540.000
CONTAINED GOLD (OZ/TON)	0.000	0.000	0.000	0.863	0.863	0.863	0.863	0.863	0.863	0.863	0.863	0.000	6.906
CONTAINED SILVER (OZ/TON)	0.000	0.000	0.000	68.008	68.008	68.008	68.008	68.008	68.008	68.008	68.008	0.000	544.061
ZN CONCENTRATE (000 TONS)	0	0	0	25	25	25	25	25	25	25	25	0	204
PB CONCENTRATE (000 TONS)	0	0	0	22	22	22	22	22	22	22	22	0	175
SMELTER CHARGES ($CDN/TON)													
ZINC CONCENTRATE													
TRANSPORTATION	0.00	0.00	0.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	675.00
TREATMENT	0.00	0.00	0.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	1800.00
PAYABLE ZINC (%)	0.00	0.00	0.00	85.00	85.00	85.00	85.00	85.00	85.00	85.00	85.00	85.00	765.00
LEAD CONCENTRATE													
TRANSPORTATION	0.00	0.00	0.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	675.00
TREATMENT	0.00	0.00	0.00	175.00	175.00	175.00	175.00	175.00	175.00	175.00	175.00	175.00	1575.00
PAYABLE LEAD (%)	0.00	0.00	0.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	855.00
PAYABLE GOLD (%)	0.00	0.00	0.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	855.00
PAYABLE SILVER (%)	0.00	0.00	0.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	855.00
UNIT DEDUCTION (OZ/TON)	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	9.00
METAL PRICES													
ZINC (/LB)	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	5.94
LEAD (/LB)	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	3.30
GOLD (/OZ)	522.50	522.50	522.50	522.50	522.50	522.50	522.50	522.50	522.50	522.50	522.50	522.50	6269.98
SILVER (/OZ)	7.42	7.42	7.42	7.42	7.42	7.42	7.42	7.42	7.42	7.42	7.42	7.42	89.10
METAL REVENUE ($US MILLIONS)													
ZINC REVENUE	0.000	0.000	0.000	12.845	12.845	12.845	12.845	12.845	12.845	12.845	12.845	0.000	102.757
LEAD REVENUE	0.000	0.000	0.000	6.864	6.864	6.864	6.864	6.864	6.864	6.864	6.864	0.000	54.910
PLUS GOLD CREDITS	0.000	0.000	0.000	9.381	9.381	9.381	9.381	9.381	9.381	9.381	9.381	0.000	75.052
PLUS SILVER CREDITS	0.000	0.000	0.000	10.348	10.348	10.348	10.348	10.348	10.348	10.348	10.348	0.000	82.786
METAL REVENUE ($US)	0.000	0.000	0.000	39.438	39.438	39.438	39.438	39.438	39.438	39.438	39.438	0.000	315.505
EXCHANGE RATE	1.299	1.299	1.299	1.299	1.299	1.299	1.299	1.299	1.299	1.299	1.299	1.299	15.584
METAL REVENUE ($CDN)	0.000	0.000	0.000	51.218	51.218	51.218	51.218	51.218	51.218	51.218	51.218	0.000	409.746
LESS TRANSPORTATION	0.000	0.000	0.000	3.550	3.550	3.550	3.550	3.550	3.550	3.550	3.550	0.000	28.400
LESS TREATMENT	0.000	0.000	0.000	8.919	8.919	8.919	8.919	8.919	8.919	8.919	8.919	0.000	71.355
NET MINE REVENUE ($CDN)	0.000	0.000	0.000	38.749	38.749	38.749	38.749	38.749	38.749	38.749	38.749	0.000	309.990

WELOFF FINANCIAL SYSTEM 88/ 1/19

********** LEAD/ZINC PROPERTY METAL PRICES -10% 8 YEARS **********

OPERATING SUMMARY

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	ACCUM
ORE MILLED (000 TONS)	0	0	0	360	360	360	360	360	360	360	360	0	2880
GRADES													
ZINC (%)	0.000	0.000	0.000	5.300	5.300	5.300	5.300	5.300	5.300	5.300	5.300	5.300	0.000
LEAD (%)	0.000	0.000	0.000	4.100	4.100	4.100	4.100	4.100	4.100	4.100	4.100	4.100	36.900
GOLD (OZ/TON)	0.000	0.000	0.000	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.630
SILVER (OZ/TON)	0.000	0.000	0.000	4.700	4.700	4.700	4.700	4.700	4.700	4.700	4.700	4.700	42.300
RECOVERIES													
ZINC (%)	0.000	0.000	0.000	80.000	80.000	80.000	80.000	80.000	80.000	80.000	80.000	80.000	720.000
LEAD (%)	0.000	0.000	0.000	89.000	89.000	89.000	89.000	89.000	89.000	89.000	89.000	89.000	801.000
GOLD (%)	0.000	0.000	0.000	75.000	75.000	75.000	75.000	75.000	75.000	75.000	75.000	75.000	675.000
SILVER (%)	0.000	0.000	0.000	88.000	88.000	88.000	88.000	88.000	88.000	88.000	88.000	88.000	792.000
CONCENTRATE PRODUCTION (000 TONS)													
ZN CONCENTRATE (%)	0.000	0.000	0.000	60.000	60.000	60.000	60.000	60.000	60.000	60.000	60.000	60.000	540.000
PB CONCENTRATE (%)	0.000	0.000	0.000	60.000	60.000	60.000	60.000	60.000	60.000	60.000	60.000	60.000	540.000
CONTAINED GOLD (OZ/TON)	0.000	0.000	0.000	0.863	0.863	0.863	0.863	0.863	0.863	0.863	0.863	0.000	6.906
CONTAINED SILVER (OZ/TON)	0.000	0.000	0.000	68.008	68.008	68.008	68.008	68.008	68.008	68.008	68.008	0.000	544.061
ZN CONCENTRATE (000 TONS)	0	0	0	25	25	25	25	25	25	25	25	0	204
PB CONCENTRATE (000 TONS)	0	0	0	22	22	22	22	22	22	22	22	0	175
SMELTER CHARGES ($CDN/TON)													
ZINC CONCENTRATE													
TRANSPORTATION	0.00	0.00	0.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	675.00
TREATMENT	0.00	0.00	0.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	1800.00
PAYABLE ZINC (%)	0.00	0.00	0.00	85.00	85.00	85.00	85.00	85.00	85.00	85.00	85.00	85.00	765.00
LEAD CONCENTRATE													
TRANSPORTATION	0.00	0.00	0.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	675.00
TREATMENT	0.00	0.00	0.00	175.00	175.00	175.00	175.00	175.00	175.00	175.00	175.00	175.00	1575.00
PAYABLE LEAD (%)	0.00	0.00	0.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	855.00
PAYABLE GOLD (%)	0.00	0.00	0.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	855.00
PAYABLE SILVER (%)	0.00	0.00	0.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	855.00
UNIT DEDUCTION (OZ/TON)	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	9.00
METAL PRICES													
ZINC (/LB)	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	4.86
LEAD (/LB)	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	2.70
GOLD (/OZ)	427.50	427.50	427.50	427.50	427.50	427.50	427.50	427.50	427.50	427.50	427.50	427.50	5129.99
SILVER (/OZ)	6.07	6.07	6.07	6.07	6.07	6.07	6.07	6.07	6.07	6.07	6.07	6.07	72.90
METAL REVENUE ($US MILLIONS)													
ZINC REVENUE	0.000	0.000	0.000	10.509	10.509	10.509	10.509	10.509	10.509	10.509	10.509	0.000	84.074
LEAD REVENUE	0.000	0.000	0.000	5.616	5.616	5.616	5.616	5.616	5.616	5.616	5.616	0.000	44.926
PLUS GOLD CREDITS	0.000	0.000	0.000	7.676	7.676	7.676	7.676	7.676	7.676	7.676	7.676	0.000	61.406
PLUS SILVER CREDITS	0.000	0.000	0.000	8.467	8.467	8.467	8.467	8.467	8.467	8.467	8.467	0.000	67.734
METAL REVENUE ($US)	0.000	0.000	0.000	32.268	32.268	32.268	32.268	32.268	32.268	32.268	32.268	0.000	258.140
EXCHANGE RATE	1.299	1.299	1.299	1.299	1.299	1.299	1.299	1.299	1.299	1.299	1.299	1.299	15.584
METAL REVENUE ($CDN)	0.000	0.000	0.000	41.906	41.906	41.906	41.906	41.906	41.906	41.906	41.906	0.000	335.247
LESS TRANSPORTATION	0.000	0.000	0.000	3.550	3.550	3.550	3.550	3.550	3.550	3.550	3.550	0.000	28.400
LESS TREATMENT	0.000	0.000	0.000	8.919	8.919	8.919	8.919	8.919	8.919	8.919	8.919	0.000	71.355
NET MINE REVENUE ($CDN)	0.000	0.000	0.000	29.436	29.436	29.436	29.436	29.436	29.436	29.436	29.436	0.000	235.491

WELOFF FINANCIAL SYSTEM 88/ 1/19

LEAD/ZINC PROPERTY METAL PRICES -10% 8 YEARS

CASHFLOW SUMMARY ($CDN MLN)

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	ACCUM
ORE MILLED (000 TONS)	0	0	0	360	360	360	360	360	360	360	360	0	2880
REVENUE (CDN$)	0.000	0.000	0.000	29.436	29.436	29.436	29.436	29.436	29.436	29.436	29.436	0.000	235.491
- MINING COSTS	0.000	0.000	0.000	22.680	22.680	22.680	22.680	22.680	22.680	22.680	22.680	0.000	181.440
PRE-TAX OPERATING PROFIT	0.000	0.000	0.000	6.756	6.756	6.756	6.756	6.756	6.756	6.756	6.756	0.000	54.051
- FEDERAL INCOME TAX PAI	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.094	1.028	1.307	1.121	0.000	3.550
- YUKON INCOME TAX PAID	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.033	0.356	0.453	0.389	0.000	1.231
- YUKON ROYALTY PAID	0.000	0.000	0.000	0.100	0.096	0.093	0.089	0.079	0.019	0.062	0.221	0.000	0.758
TOTAL TAXES PAID	0.000	0.000	0.000	0.100	0.096	0.093	0.089	0.206	1.403	1.822	1.731	0.000	5.540
CASH FLOW BEFORE CAPITAL	0.000	0.000	0.000	6.656	6.660	6.664	6.668	6.551	5.353	4.934	5.025	0.000	48.511
-MINE CAPITAL	0.000	4.300	13.300	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	17.600
-EXPLORATION	1.000	3.200	6.700	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	10.900
-WORKING CAPITAL	0.000	0.000	4.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4.000
-SUSTAINING ;NON-PROCE	0.000	0.000	0.000	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.000	0.000	3.500
+WORKING CAPITAL RECOV	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4.000	0.000	4.000
TOTAL CAPITAL COSTS	1.000	7.500	24.000	0.500	0.500	0.500	0.500	0.500	0.500	0.500	-4.000	0.000	32.000
NET EQUITY CASH AVAILABL	-1.000	-7.500	-24.000	6.156	6.160	6.164	6.168	6.051	4.853	4.434	9.025	0.000	16.511
ACCUMULATIVE TOTAL	-1.000	-8.500	-32.500	-26.344	-20.184	-14.020	-7.852	-1.802	3.052	7.486	16.511	16.511	0.000
DISCOUNTED NCF (6 PCT)	-0.971	-6.872	-20.747	5.021	4.739	4.474	4.223	3.988	2.957	2.549	4.895	0.000	4.177
DISCOUNTED NCF (8 PCT)	-0.962	-6.682	-19.799	4.703	4.357	4.037	3.740	3.397	2.523	2.135	4.023	0.000	1.470
DISCOUNTED NCF (10 PCT)	-0.953	-6.501	-18.912	4.410	4.012	3.649	3.319	2.960	2.159	1.793	3.318	0.000	-0.746
DISCOUNTED NCF (12 PCT)	-0.945	-6.328	-18.079	4.141	3.699	3.305	2.953	2.636	1.852	1.511	2.746	0.000	-2.559
RATE OF RETURN% PRE-TAX	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.93	7.43	11.43	11.43	11.43
RATE OF RETURN% AFT TAX	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.48	5.31	9.28	9.28	9.28

WELOFF FINANCIAL SYSTEM 88/ 1/19

********** LEAD/ZINC PROPERTY BASE CASE 10 YEARS **********

OPERATING SUMMARY

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
ORE MILLED (000 TONS)	0	0	0	360	360	360	360	360	360	360	360	360	360
GRADES													
ZINC (%)	0.000	0.000	0.000	5.300	5.300	5.300	5.300	5.300	5.300	5.300	5.300	5.300	5.300
LEAD (%)	0.000	0.000	0.000	4.100	4.100	4.100	4.100	4.100	4.100	4.100	4.100	4.100	4.100
GOLD (OZ/TON)	0.000	0.000	0.000	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070
SILVER (OZ/TON)	0.000	0.000	0.000	4.700	4.700	4.700	4.700	4.700	4.700	4.700	4.700	4.700	4.700
RECOVERIES													
ZINC (%)	0.000	0.000	0.000	80.000	80.000	80.000	80.000	80.000	80.000	80.000	80.000	80.000	80.000
LEAD (%)	0.000	0.000	0.000	89.000	89.000	89.000	89.000	89.000	89.000	89.000	89.000	89.000	89.000
GOLD (%)	0.000	0.000	0.000	75.000	75.000	75.000	75.000	75.000	75.000	75.000	75.000	75.000	75.000
SILVER (%)	0.000	0.000	0.000	88.000	88.000	88.000	88.000	88.000	88.000	88.000	88.000	88.000	88.000
CONCENTRATE PRODUCTION (000 TONS)													
ZN CONCENTRATE (%)	0.000	0.000	0.000	60.000	60.000	60.000	60.000	60.000	60.000	60.000	60.000	60.000	60.000
PB CONCENTRATE (%)	0.000	0.000	0.000	60.000	60.000	60.000	60.000	60.000	60.000	60.000	60.000	60.000	60.000
CONTAINED GOLD (OZ/TON)	0.000	0.000	0.000	0.863	0.863	0.863	0.863	0.863	0.863	0.863	0.863	0.863	0.863
CONTAINED SILVER (OZ/TON)	0.000	0.000	0.000	68.008	68.008	68.008	68.008	68.008	68.008	68.008	68.008	68.008	68.008
ZN CONCENTRATE (000 TONS)	0	0	0	25	25	25	25	25	25	25	25	25	25
PB CONCENTRATE (000 TONS)	0	0	0	22	22	22	22	22	22	22	22	22	22
SMELTER CHARGES ($CDN/TON)													
ZINC CONCENTRATE													
TRANSPORTATION	0.00	0.00	0.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00
TREATMENT	0.00	0.00	0.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00
PAYABLE ZINC (%)	0.00	0.00	0.00	85.00	85.00	85.00	85.00	85.00	85.00	85.00	85.00	85.00	85.00
LEAD CONCENTRATE													
TRANSPORTATION	0.00	0.00	0.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00
TREATMENT	0.00	0.00	0.00	175.00	175.00	175.00	175.00	175.00	175.00	175.00	175.00	175.00	175.00
PAYABLE LEAD (%)	0.00	0.00	0.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00
PAYABLE GOLD (%)	0.00	0.00	0.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00
PAYABLE SILVER (%)	0.00	0.00	0.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00
UNIT DEDUCTION (OZ/TON)	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
METAL PRICES													
ZINC (/LB)	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45
LEAD (/LB)	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
GOLD (/OZ)	475.00	475.00	475.00	475.00	475.00	475.00	475.00	475.00	475.00	475.00	475.00	475.00	475.00
SILVER (/OZ)	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75
METAL REVENUE ($US MILLIONS)													
ZINC REVENUE	0.000	0.000	0.000	11.677	11.677	11.677	11.677	11.677	11.677	11.677	11.677	11.677	11.677
LEAD REVENUE	0.000	0.000	0.000	6.240	6.240	6.240	6.240	6.240	6.240	6.240	6.240	6.240	6.240
PLUS GOLD CREDITS	0.000	0.000	0.000	8.529	8.529	8.529	8.529	8.529	8.529	8.529	8.529	8.529	8.529
PLUS SILVER CREDITS	0.000	0.000	0.000	9.408	9.408	9.408	9.408	9.408	9.408	9.408	9.408	9.408	9.408
METAL REVENUE ($US)	0.000	0.000	0.000	35.853	35.853	35.853	35.853	35.853	35.853	35.853	35.853	35.853	35.853
EXCHANGE RATE	1.299	1.299	1.299	1.299	1.299	1.299	1.299	1.299	1.299	1.299	1.299	1.299	1.299
METAL REVENUE ($CDN)	0.000	0.000	0.000	46.562	46.562	46.562	46.562	46.562	46.562	46.562	46.562	46.562	46.562
LESS TRANSPORTATION	0.000	0.000	0.000	3.550	3.550	3.550	3.550	3.550	3.550	3.550	3.550	3.550	3.550
LESS TREATMENT	0.000	0.000	0.000	8.919	8.919	8.919	8.919	8.919	8.919	8.919	8.919	8.919	8.919
NET MINE REVENUE ($CDN)	0.000	0.000	0.000	34.093	34.093	34.093	34.093	34.093	34.093	34.093	34.093	34.093	34.093

OPERATING SUMMARY

		2001	ACCUM
ORE MILLED (000 TONS)		0	3600
GRADES			
ZINC	(%)	5.300	0.000
LEAD	(%)	4.100	45.100
GOLD	(OZ/TON)	0.070	0.770
SILVER	(OZ/TON)	4.700	51.700
RECOVERIES			
ZINC	(%)	80.000	880.000
LEAD	(%)	89.000	979.000
GOLD	(%)	75.000	825.000
SILVER	(%)	88.000	968.000
CONCENTRATE PRODUCTION (000 TONS)			
ZN CONCENTRATE (%)		60.000	660.000
PB CONCENTRATE (%)		60.000	660.000
CONTAINED GOLD	(OZ/TON)	0.000	8.632
CONTAINED SILVER	(OZ/TON)	0.000	680.076
ZN CONCENTRATE (000 TONS)		0	254
PB CONCENTRATE (000 TONS)		0	219
SMELTER CHARGES ($CDN/TON)			
ZINC CONCENTRATE			
TRANSPORTATION		75.00	825.00
TREATMENT		200.00	2200.00
PAYABLE ZINC	(%)	85.00	935.00
LEAD CONCENTRATE			
TRANSPORTATION		75.00	825.00
TREATMENT		175.00	1925.00
PAYABLE LEAD	(%)	95.00	1045.00
PAYABLE GOLD	(%)	95.00	1045.00
PAYABLE SILVER	(%)	95.00	1045.00
UNIT DEDUCTION	(OZ/TON)	1.00	11.00
METAL PRICES			
ZINC	(/LB)	0.45	6.30
LEAD	(/LB)	0.25	3.50
GOLD	(/OZ)	475.00	6650.00
SILVER	(/OZ)	6.75	94.50
METAL REVENUE ($US MILLIONS)			
ZINC REVENUE		0.000	116.769
LEAD REVENUE		0.000	62.398
PLUS GOLD CREDITS		0.000	85.286
PLUS SILVER CREDITS		0.000	94.075
METAL REVENUE	($US)	0.000	358.528
EXCHANGE RATE		1.299	18.182
METAL REVENUE	($CDN)	0.000	465.620
LESS TRANSPORTATION		0.000	35.500
LESS TREATMENT		0.000	89.194
NET MINE REVENUE ($CDN)		0.000	340.926

WELOFF FINANCIAL SYSTEM 88/ 1/19

LEAD/ZINC PROPERTY BASE CASE 10 YEARS

CASHFLOW SUMMARY ($CDN MLN)

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
ORE MILLED (000 TONS)	0	0	0	360	360	360	360	360	360	360	360	360	360
REVENUE (CDN$)	0.000	0.000	0.000	34.093	34.093	34.093	34.093	34.093	34.093	34.093	34.093	34.093	34.093
- MINING COSTS	0.000	0.000	0.000	22.680	22.680	22.680	22.680	22.680	22.680	22.680	22.680	22.680	22.680
PRE-TAX OPERATING PROFIT	0.000	0.000	0.000	11.413	11.413	11.413	11.413	11.413	11.413	11.413	11.413	11.413	11.413
- FEDERAL INCOME TAX PAI	0.000	0.000	0.000	0.000	0.000	0.268	2.054	2.389	2.382	2.376	2.372	2.369	2.117
- YUKON INCOME TAX PAID	0.000	0.000	0.000	0.000	0.000	0.093	0.712	0.828	0.826	0.824	0.823	0.822	0.734
- YUKON ROYALTY PAID	0.000	0.000	0.000	0.353	0.349	0.323	0.183	0.157	0.154	0.223	0.393	0.393	0.418
TOTAL TAXES PAID	0.000	0.000	0.000	0.353	0.349	0.684	2.950	3.374	3.361	3.423	3.588	3.584	3.269
CASH FLOW BEFORE CAPITAL	0.000	0.000	0.000	11.059	11.064	10.729	8.463	8.038	8.051	7.989	7.825	7.829	8.144
-MINE CAPITAL	0.000	4.300	13.300	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
-EXPLORATION	1.000	3.200	6.700	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
-WORKING CAPITAL	0.000	0.000	4.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
-SUSTAINING ;NON-PROCE	0.000	0.000	0.000	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.000
+WORKING CAPITAL RECOV	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4.000
TOTAL CAPITAL COSTS	1.000	7.500	24.000	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	-4.000
NET EQUITY CASH AVAILABL	-1.000	-7.500	-24.000	10.559	10.564	10.229	7.963	7.538	7.551	7.489	7.325	7.329	12.144
ACCUMULATIVE TOTAL	-1.000	-8.500	-32.500	-21.941	-11.377	-1.148	6.814	14.353	21.904	29.393	36.718	44.047	56.190
DISCOUNTED NCF (6 PCT)	-0.971	-6.872	-20.747	8.611	8.127	7.424	5.452	4.870	4.602	4.306	3.973	3.750	5.862
DISCOUNTED NCF (8 PCT)	-0.962	-6.682	-19.799	8.066	7.471	6.699	4.828	4.233	3.926	3.605	3.265	3.024	4.640
DISCOUNTED NCF (10 PCT)	-0.953	-6.501	-18.912	7.564	6.879	6.056	4.286	3.688	3.359	3.028	2.693	2.449	3.689
DISCOUNTED NCF (12 PCT)	-0.945	-6.328	-18.079	7.102	6.344	5.484	3.812	3.222	2.882	2.552	2.228	1.991	2.945
RATE OF RETURN% PRE-TAX	0.00	0.00	0.00	0.00	0.00	0.32	11.37	17.87	21.91	24.55	26.32	27.53	28.72
RATE OF RETURN% AFT TAX	0.00	0.00	0.00	0.00	0.00	0.00	7.43	12.92	16.58	19.07	20.77	22.00	23.43

********** LEAD/ZINC PROPERTY BASE CASE 10 YEARS **********

CASHFLOW SUMMARY ($CDN MLN)

	2001	ACCUM
ORE MILLED (000 TONS)	0	3600
REVENUE (CDN$)	0.000	340.926
- MINING COSTS	0.000	226.800
PRE-TAX OPERATING PROFIT	0.000	114.126
- FEDERAL INCOME TAX PAI	0.000	16.328
- YUKON INCOME TAX PAID	0.000	5.662
- YUKON ROYALTY PAID	0.000	2.946
TOTAL TAXES PAID	0.000	24.936
CASH FLOW BEFORE CAPITAL	0.000	89.190
-MINE CAPITAL	0.000	17.600
-EXPLORATION	0.000	10.900
-WORKING CAPITAL	0.000	4.000
-SUSTAINING ;NON-PROCE	0.000	4.500
+WORKING CAPITAL RECOV	0.000	4.000
TOTAL CAPITAL COSTS	0.000	33.000
NET EQUITY CASH AVAILABL	0.000	56.190
ACCUMULATIVE TOTAL	56.190	0.000
DISCOUNTED NCF (6 PCT)	0.000	28.386
DISCOUNTED NCF (8 PCT)	0.000	22.313
DISCOUNTED NCF (10 PCT)	0.000	17.325
DISCOUNTED NCF (12 PCT)	0.000	13.211
RATE OF RETURN% PRE-TAX	28.72	28.72
RATE OF RETURN% AFT TAX	23.43	23.43

LEAD/ZINC PROPERTY BASE CASE — 6 YEARS

OPERATING SUMMARY

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	ACCUM
ORE MILLED (000 TONS)	0	0	0	360	360	360	360	360	360	0	2160
GRADES											
ZINC (%)	0.000	0.000	0.000	5.300	5.300	5.300	5.300	5.300	5.300	5.300	0.000
LEAD (%)	0.000	0.000	0.000	4.100	4.100	4.100	4.100	4.100	4.100	4.100	28.700
GOLD (OZ/TON)	0.000	0.000	0.000	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.490
SILVER (OZ/TON)	0.000	0.000	0.000	4.700	4.700	4.700	4.700	4.700	4.700	4.700	32.900
RECOVERIES											
ZINC (%)	0.000	0.000	0.000	80.000	80.000	80.000	80.000	80.000	80.000	80.000	560.000
LEAD (%)	0.000	0.000	0.000	89.000	89.000	89.000	89.000	89.000	89.000	89.000	623.000
GOLD (%)	0.000	0.000	0.000	75.000	75.000	75.000	75.000	75.000	75.000	75.000	525.000
SILVER (%)	0.000	0.000	0.000	88.000	88.000	88.000	88.000	88.000	88.000	88.000	616.000
CONCENTRATE PRODUCTION (000 TONS)											
ZN CONCENTRATE (%)	0.000	0.000	0.000	60.000	60.000	60.000	60.000	60.000	60.000	60.000	420.000
PB CONCENTRATE (%)	0.000	0.000	0.000	60.000	60.000	60.000	60.000	60.000	60.000	60.000	420.000
CONTAINED GOLD (OZ/TON)	0.000	0.000	0.000	0.863	0.863	0.863	0.863	0.863	0.863	0.000	5.179
CONTAINED SILVER (OZ/TON)	0.000	0.000	0.000	68.008	68.008	68.008	68.008	68.008	68.008	0.000	408.046
ZN CONCENTRATE (000 TONS)	0	0	0	25	25	25	25	25	25	0	153
PB CONCENTRATE (000 TONS)	0	0	0	22	22	22	22	22	22	0	131
SMELTER CHARGES ($CDN/TON)											
ZINC CONCENTRATE											
TRANSPORTATION	0.00	0.00	0.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	525.00
TREATMENT	0.00	0.00	0.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	1400.00
PAYABLE ZINC (%)	0.00	0.00	0.00	85.00	85.00	85.00	85.00	85.00	85.00	85.00	595.00
LEAD CONCENTRATE											
TRANSPORTATION	0.00	0.00	0.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	525.00
TREATMENT	0.00	0.00	0.00	175.00	175.00	175.00	175.00	175.00	175.00	175.00	1225.00
PAYABLE LEAD (%)	0.00	0.00	0.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	665.00
PAYABLE GOLD (%)	0.00	0.00	0.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	665.00
PAYABLE SILVER (%)	0.00	0.00	0.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	665.00
UNIT DEDUCTION (OZ/TON)	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	7.00
METAL PRICES											
ZINC (/LB)	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	4.50
LEAD (/LB)	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	2.50
GOLD (/OZ)	475.00	475.00	475.00	475.00	475.00	475.00	475.00	475.00	475.00	475.00	4750.00
SILVER (/OZ)	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	67.50
METAL REVENUE ($US MILLIONS)											
ZINC REVENUE	0.000	0.000	0.000	11.677	11.677	11.677	11.677	11.677	11.677	0.000	70.062
LEAD REVENUE	0.000	0.000	0.000	6.240	6.240	6.240	6.240	6.240	6.240	0.000	37.439
PLUS GOLD CREDITS	0.000	0.000	0.000	8.529	8.529	8.529	8.529	8.529	8.529	0.000	51.172
PLUS SILVER CREDITS	0.000	0.000	0.000	9.408	9.408	9.408	9.408	9.408	9.408	0.000	56.445
METAL REVENUE ($US)	0.000	0.000	0.000	35.853	35.853	35.853	35.853	35.853	35.853	0.000	215.117
EXCHANGE RATE	1.299	1.299	1.299	1.299	1.299	1.299	1.299	1.299	1.299	1.299	12.987
METAL REVENUE ($CDN)	0.000	0.000	0.000	46.562	46.562	46.562	46.562	46.562	46.562	0.000	279.372
LESS TRANSPORTATION	0.000	0.000	0.000	3.550	3.550	3.550	3.550	3.550	3.550	0.000	21.300
LESS TREATMENT	0.000	0.000	0.000	8.919	8.919	8.919	8.919	8.919	8.919	0.000	53.517
NET MINE REVENUE ($CDN)	0.000	0.000	0.000	34.093	34.093	34.093	34.093	34.093	34.093	0.000	204.555

WELOFF FINANCIAL SYSTEM 88/ 1/19

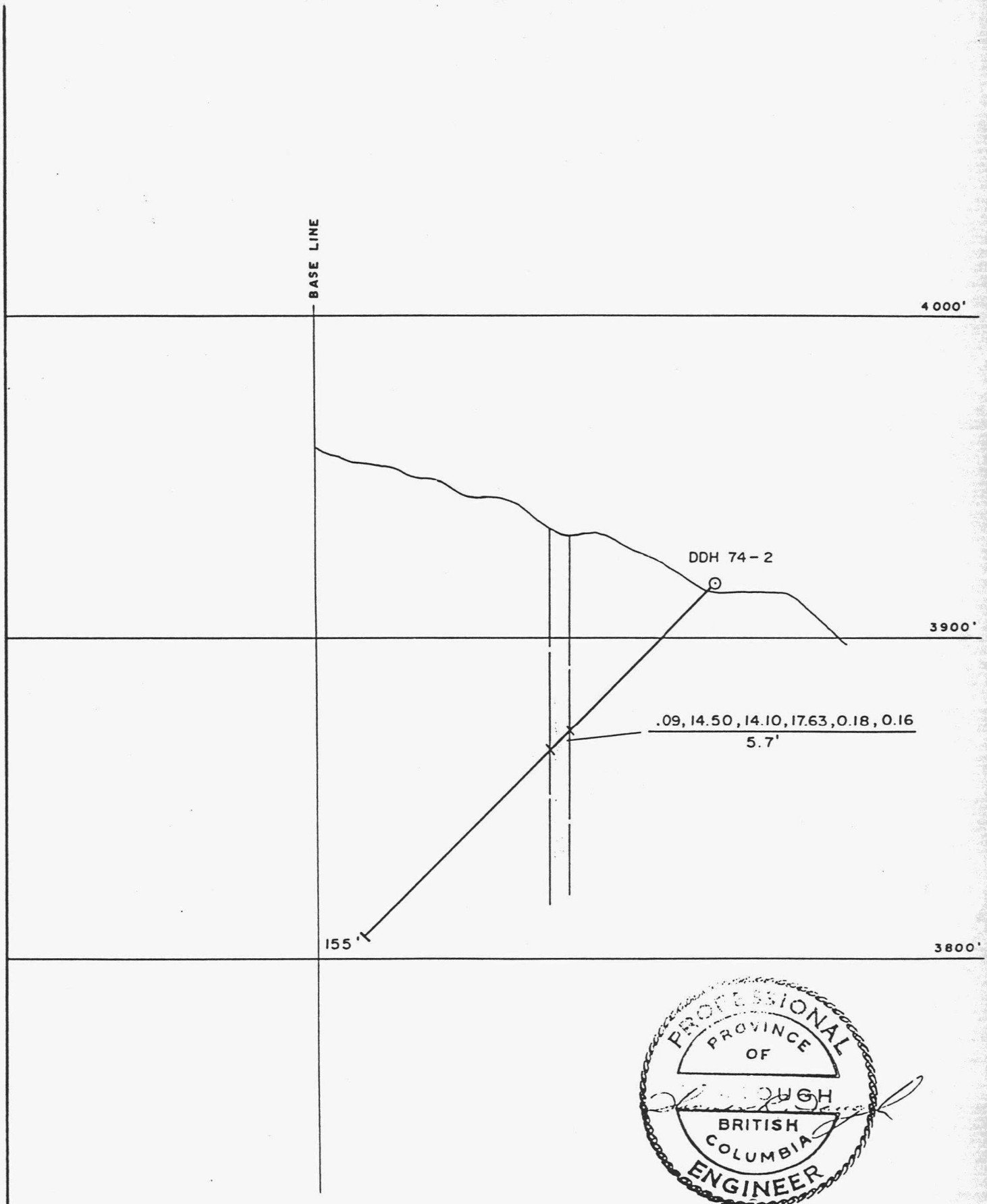
********** LEAD/ZINC PROPERTY BASE CASE 6 YEARS **********

CASHFLOW SUMMARY ($CDN MLN)

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	ACCUM
ORE MILLED (000 TONS)	0	0	0	360	360	360	360	360	360	0	2160
REVENUE (CDN$)	0.000	0.000	0.000	34.093	34.093	34.093	34.093	34.093	34.093	0.000	204.555
- MINING COSTS	0.000	0.000	0.000	22.680	22.680	22.680	22.680	22.680	22.680	0.000	136.080
PRE-TAX OPERATING PROFIT	0.000	0.000	0.000	11.413	11.413	11.413	11.413	11.413	11.413	0.000	68.475
- FEDERAL INCOME TAX PAI	0.000	0.000	0.000	0.000	0.000	0.268	2.054	2.389	2.176	0.000	6.887
- YUKON INCOME TAX PAID	0.000	0.000	0.000	0.000	0.000	0.093	0.712	0.828	0.754	0.000	2.388
- YUKON ROYALTY PAID	0.000	0.000	0.000	0.353	0.349	0.323	0.183	0.157	0.171	0.000	1.537
TOTAL TAXES PAID	0.000	0.000	0.000	0.353	0.349	0.684	2.950	3.374	3.101	0.000	10.811
CASH FLOW BEFORE CAPITAL	0.000	0.000	0.000	11.059	11.064	10.729	8.463	8.038	8.311	0.000	57.664
-MINE CAPITAL	0.000	4.300	13.300	0.000	0.000	0.000	0.000	0.000	0.000	0.000	17.600
-EXPLORATION	1.000	3.200	6.700	0.000	0.000	0.000	0.000	0.000	0.000	0.000	10.900
-WORKING CAPITAL	0.000	0.000	4.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4.000
-SUSTAINING ;NON-PROCE	0.000	0.000	0.000	0.500	0.500	0.500	0.500	0.500	0.000	0.000	2.500
+WORKING CAPITAL RECOV	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4.000	0.000	4.000
TOTAL CAPITAL COSTS	1.000	7.500	24.000	0.500	0.500	0.500	0.500	0.500	-4.000	0.000	31.000
NET EQUITY CASH AVAILABL	-1.000	-7.500	-24.000	10.559	10.564	10.229	7.963	7.538	12.311	0.000	26.664
ACCUMULATIVE TOTAL	-1.000	-8.500	-32.500	-21.941	-11.377	-1.148	6.814	14.353	26.664	26.664	0.000
DISCOUNTED NCF (6 PCT)	-0.971	-6.872	-20.747	8.611	8.127	7.424	5.452	4.870	7.503	0.000	13.397
DISCOUNTED NCF (8 PCT)	-0.962	-6.682	-19.799	8.066	7.471	6.699	4.828	4.233	6.400	0.000	10.253
DISCOUNTED NCF (10 PCT)	-0.953	-6.501	-18.912	7.564	6.879	6.056	4.286	3.688	5.476	0.000	7.583
DISCOUNTED NCF (12 PCT)	-0.945	-6.328	-18.079	7.102	6.344	5.484	3.812	3.222	4.698	0.000	5.311
RATE OF RETURN% PRE-TAX	0.00	0.00	0.00	0.00	0.00	0.32	11.37	17.87	23.32	23.32	23.32
RATE OF RETURN% AFT TAX	0.00	0.00	0.00	0.00	0.00	0.00	7.43	12.92	18.50	18.50	18.50

APPENDIX IV

CROSS SECTIONS



PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA

ASSAY SEQUENCE

Au. oz /t., Ag oz /t., Pb %, Zn %, Cu %, Cd %

True width in feet

TINTA HILL PROPERTY

SECTION 25+00E

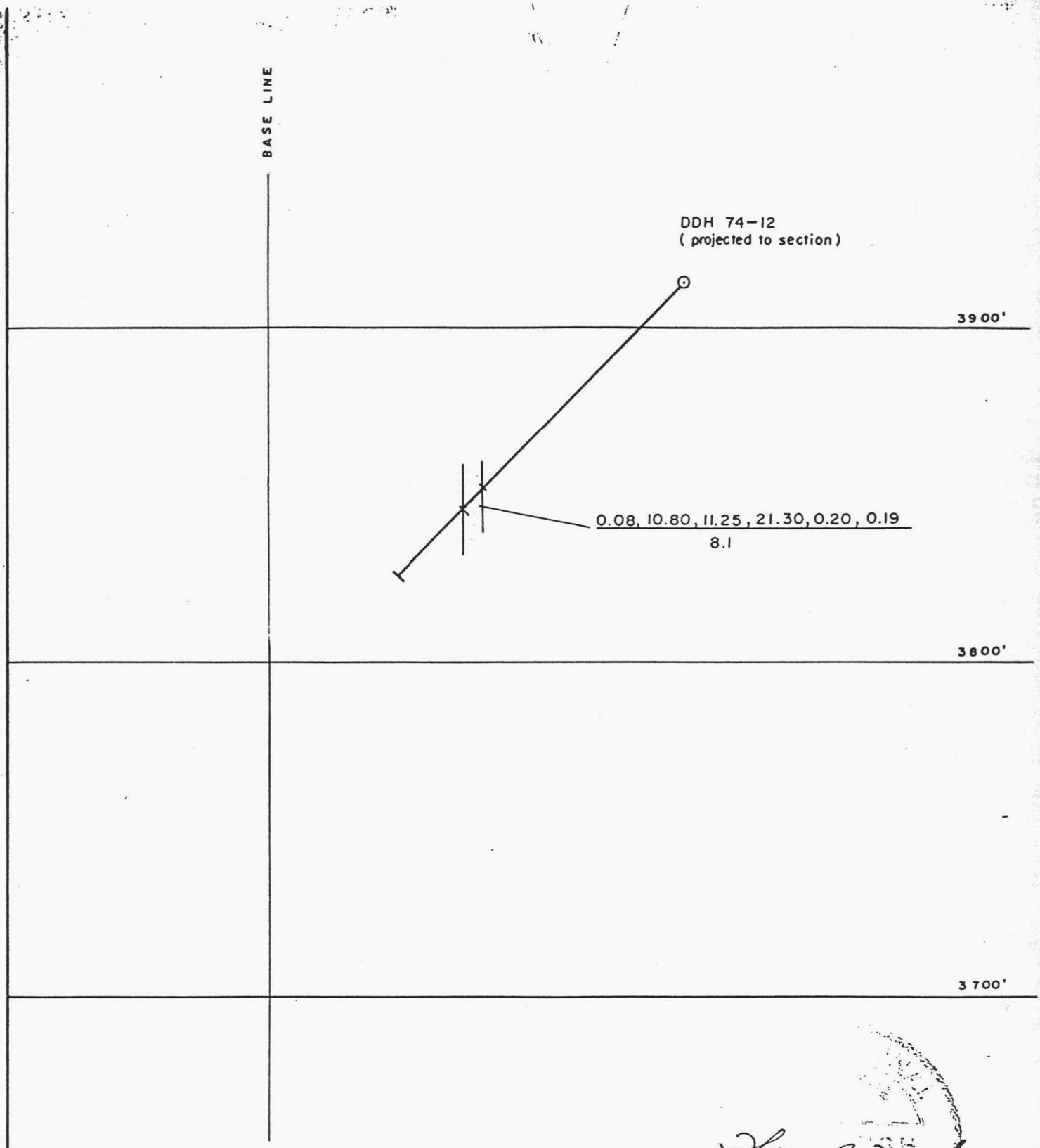
LOOKING SOUTH EAST

TINTA HILL, YUKON

SCALE

FEET 40 0 40 FEET

Sept. 1974



ASSAY SEQUENCE

Au. oz /t., Ag oz /t., Pb %, Zn %, Cu %, Cd %

True width in feet

TINTA HILL PROPERTY

SECTION 24+50E

LOOKING SOUTH EAST

TINTA HILL, YUKON

SCALE

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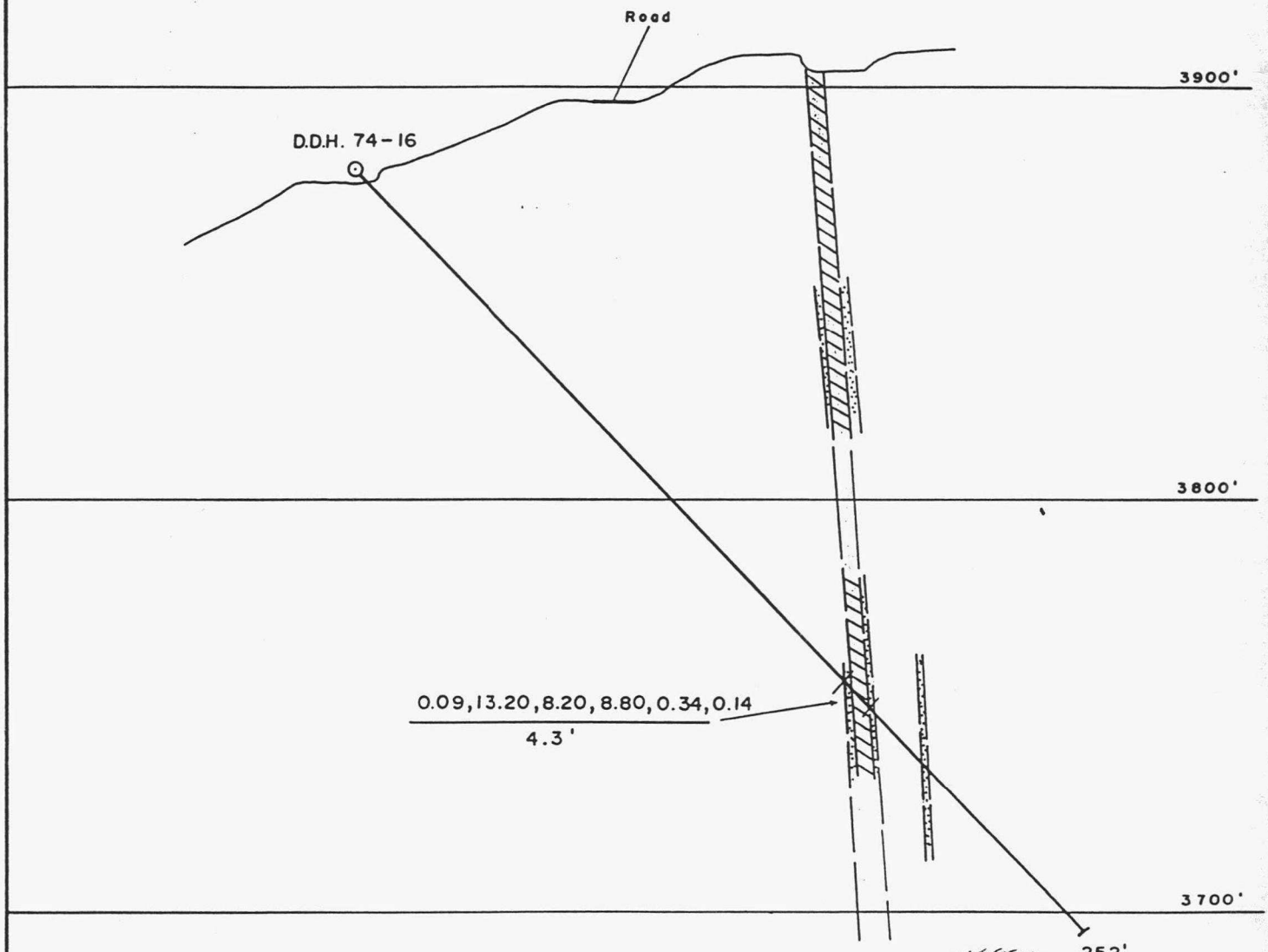
Sept. 1974



HIGH GRADE

DISSEMINATED

PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
J. R. TOUGH

TINTA HILL PROPERTY

SECTION 24+50E

LOOKING NORTH WEST
TINTA HILL, YUKON

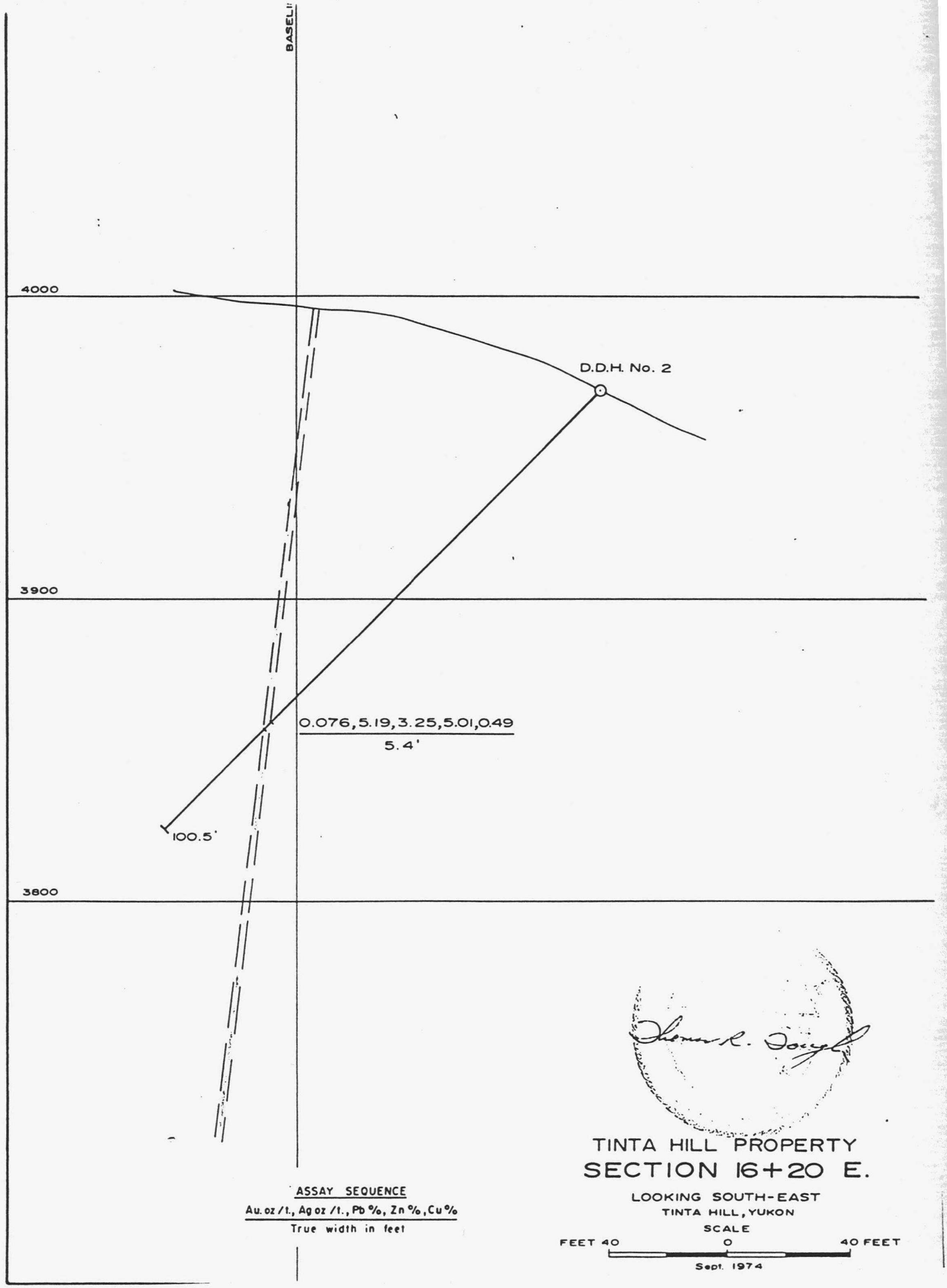
SCALE
FEET 40 0 40 FEET

Sept. 1974

ASSAY SEQUENCE

Au. oz/t., Ag oz/t., Pb %, Zn %, Cu %, Cd %

True width in feet



ASSAY SEQUENCE

Au. oz/t., Ag oz/t., Pb %, Zn %, Cu %

True width in feet

Thomas R. Doyle

TINTA HILL PROPERTY

SECTION 16+20 E.

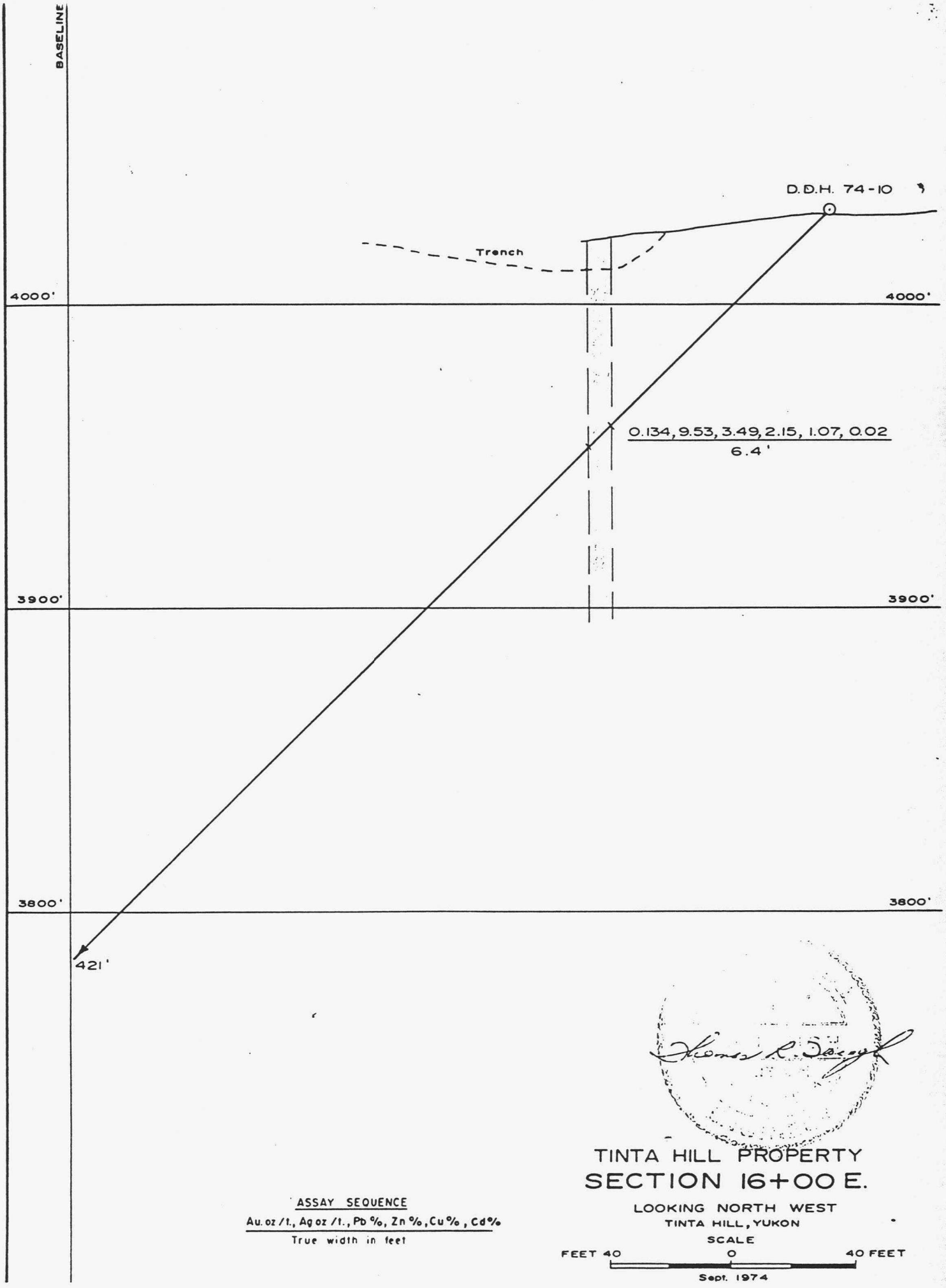
LOOKING SOUTH-EAST

TINTA HILL, YUKON

SCALE

FEET 40 0 40 FEET

Sept. 1974



ASSAY SEQUENCE

Au. oz /t., Ag oz /t., Pb %, Zn %, Cu %, Cd %

True width in feet

TINTA HILL PROPERTY

SECTION 16+00 E.

LOOKING NORTH WEST

TINTA HILL, YUKON

SCALE

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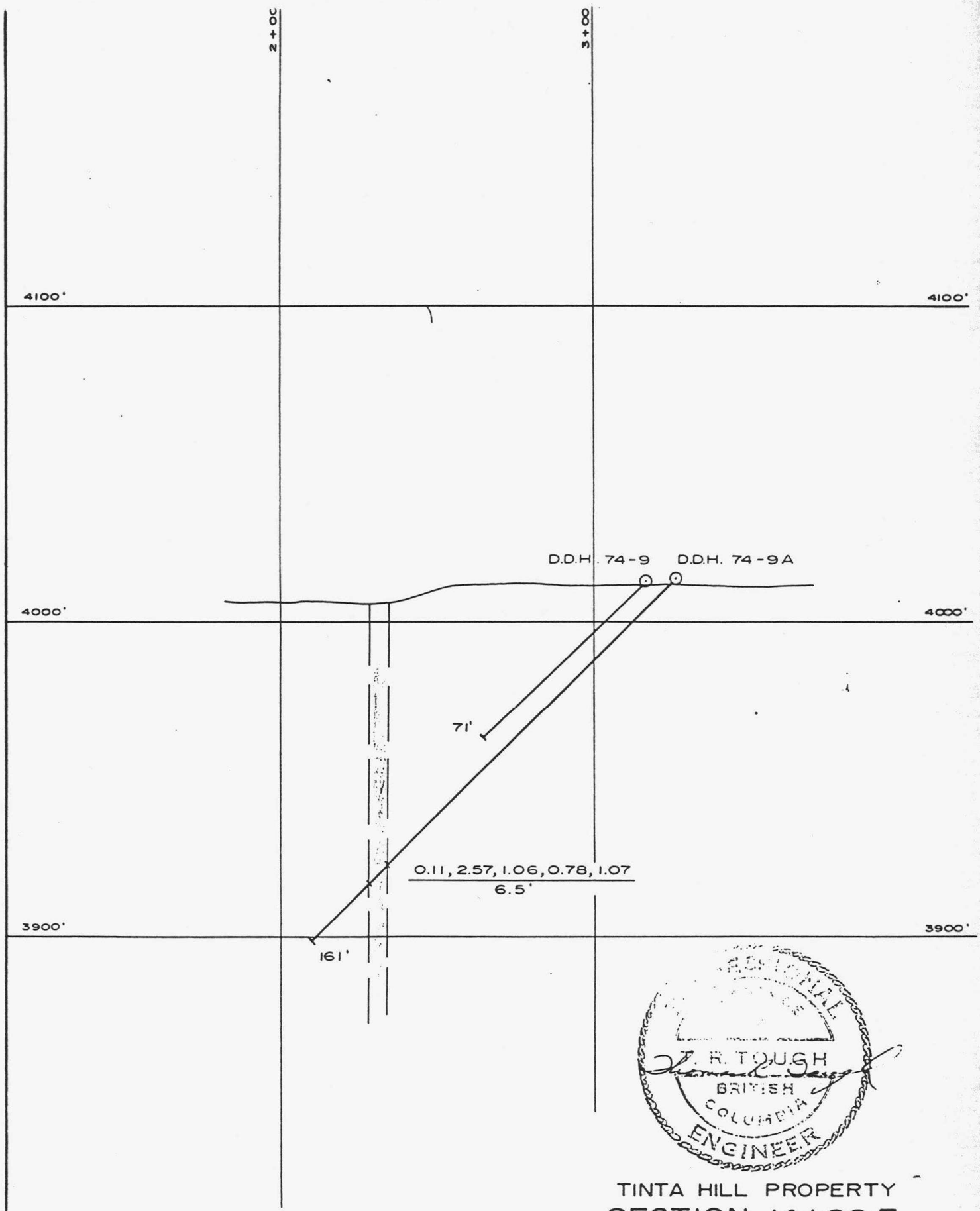
Sept. 1974



ASSAY SEQUENCE

Au. oz/t., Ag oz/t., Pb %, Zn %, Cu %

True width in feet

J. R. TOUGH

BRITISH COLUMBIA

ENGINEER

TINTA HILL PROPERTY

SECTION 14+00 E.

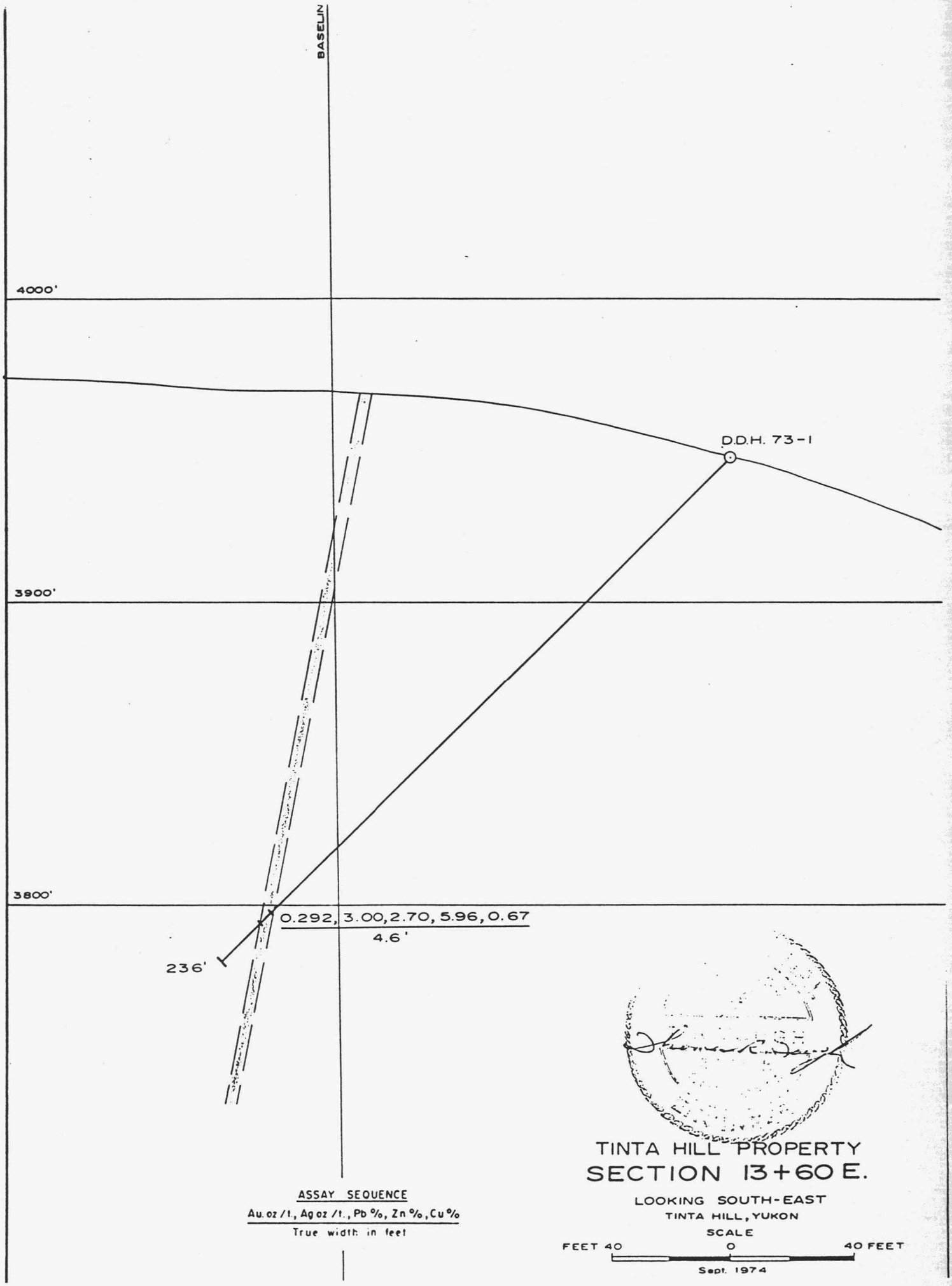
LOOKING NORTH-WEST

TINTA HILL, YUKON

SCALE

FEET 40 0 40 FEET

Sept. 1974



ASSAY SEQUENCE

Au. oz/t., Ag oz/t., Pb %, Zn %, Cu %

True width in feet

TINTA HILL PROPERTY

SECTION 13+60 E.

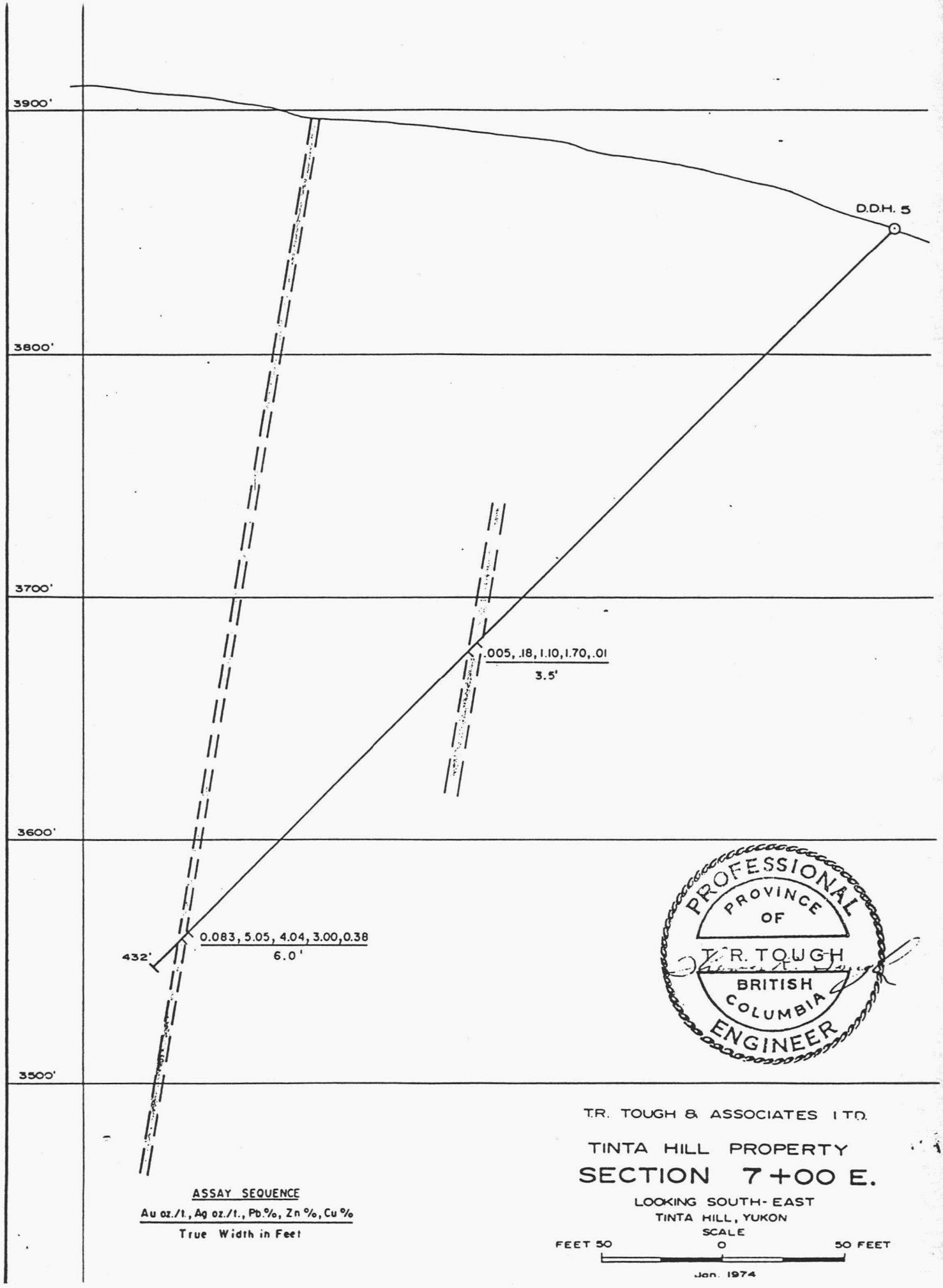
LOOKING SOUTH-EAST

TINTA HILL, YUKON

SCALE

FEET 40 0 40 FEET

Sept. 1974



PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
T.R. TOUGH

ASSAY SEQUENCE

Au oz./t., Ag oz./t., Pb.%, Zn %, Cu %

True Width in Feet

T.R. TOUGH & ASSOCIATES LTD.

TINTA HILL PROPERTY

SECTION 7+00 E.

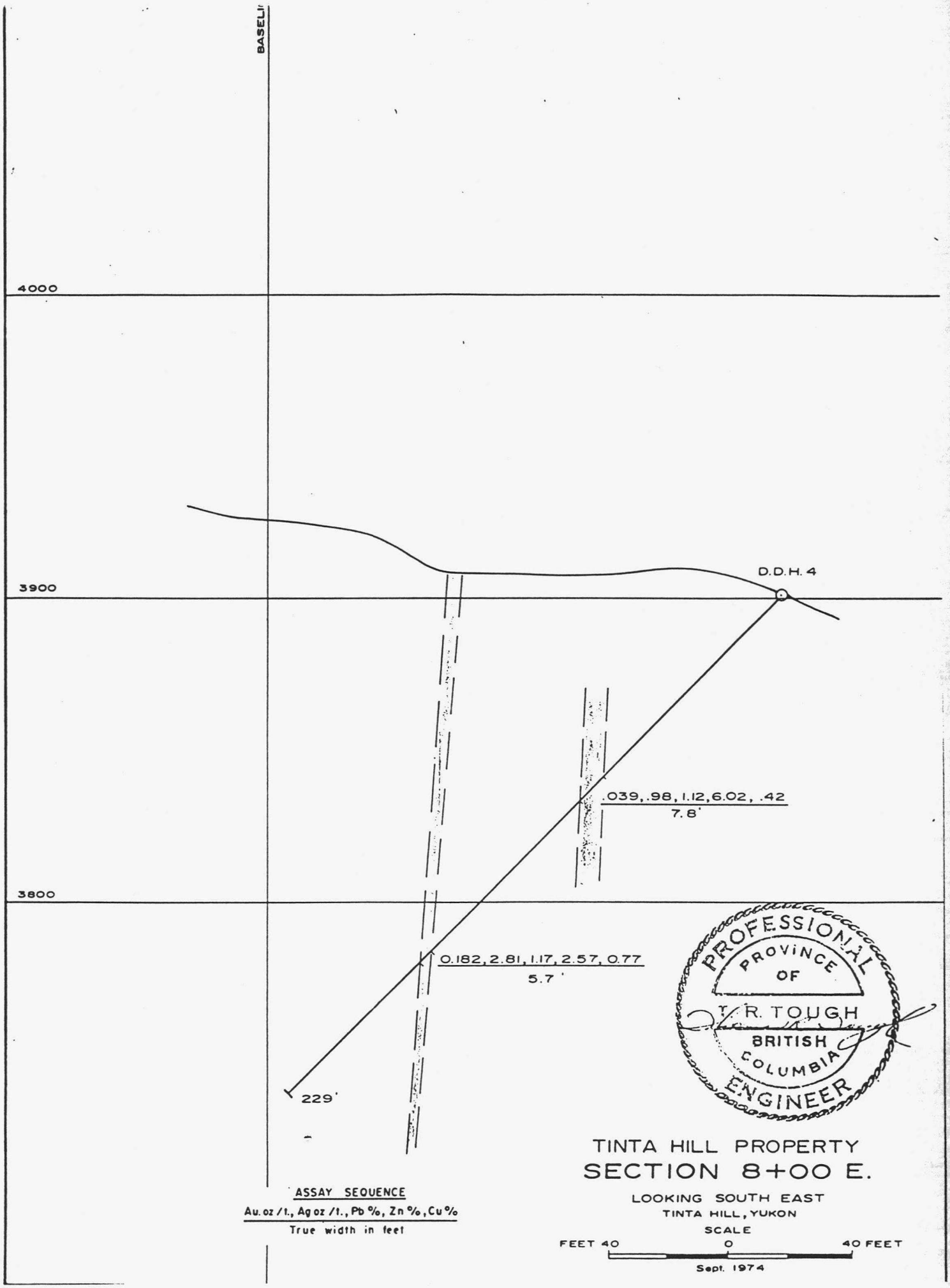
LOOKING SOUTH-EAST

TINTA HILL, YUKON

SCALE

FEET 50 0 50 FEET

Jan. 1974

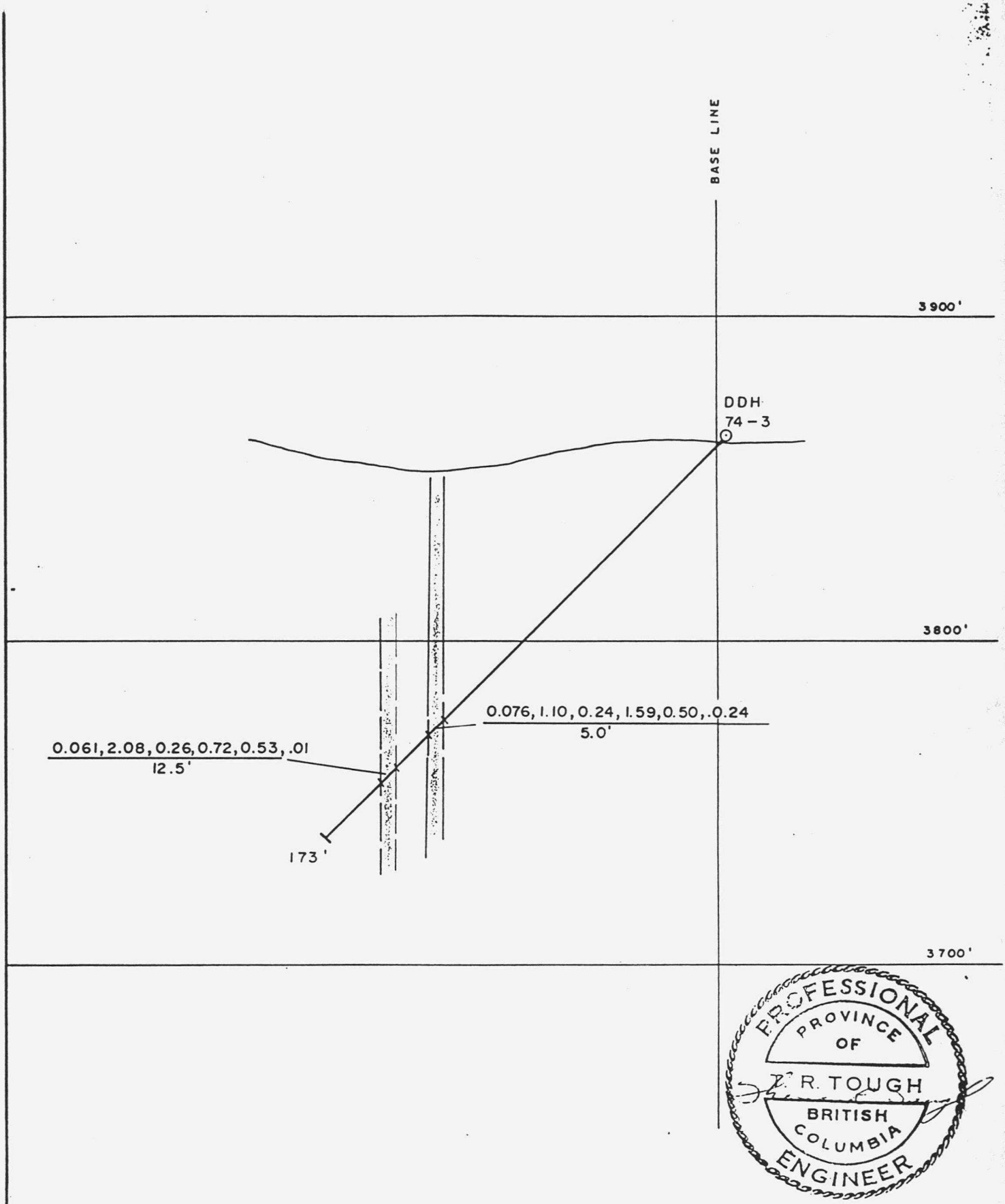


PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
T. R. TOUGH

ASSAY SEQUENCE
Au. oz/t., Ag oz/t., Pb %, Zn %, Cu %
True width in feet

TINTA HILL PROPERTY
SECTION 8+00 E.

LOOKING SOUTH EAST
TINTA HILL, YUKON
SCALE
FEET 40 0 40 FEET
Sept. 1974



PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
D. R. TOUGH

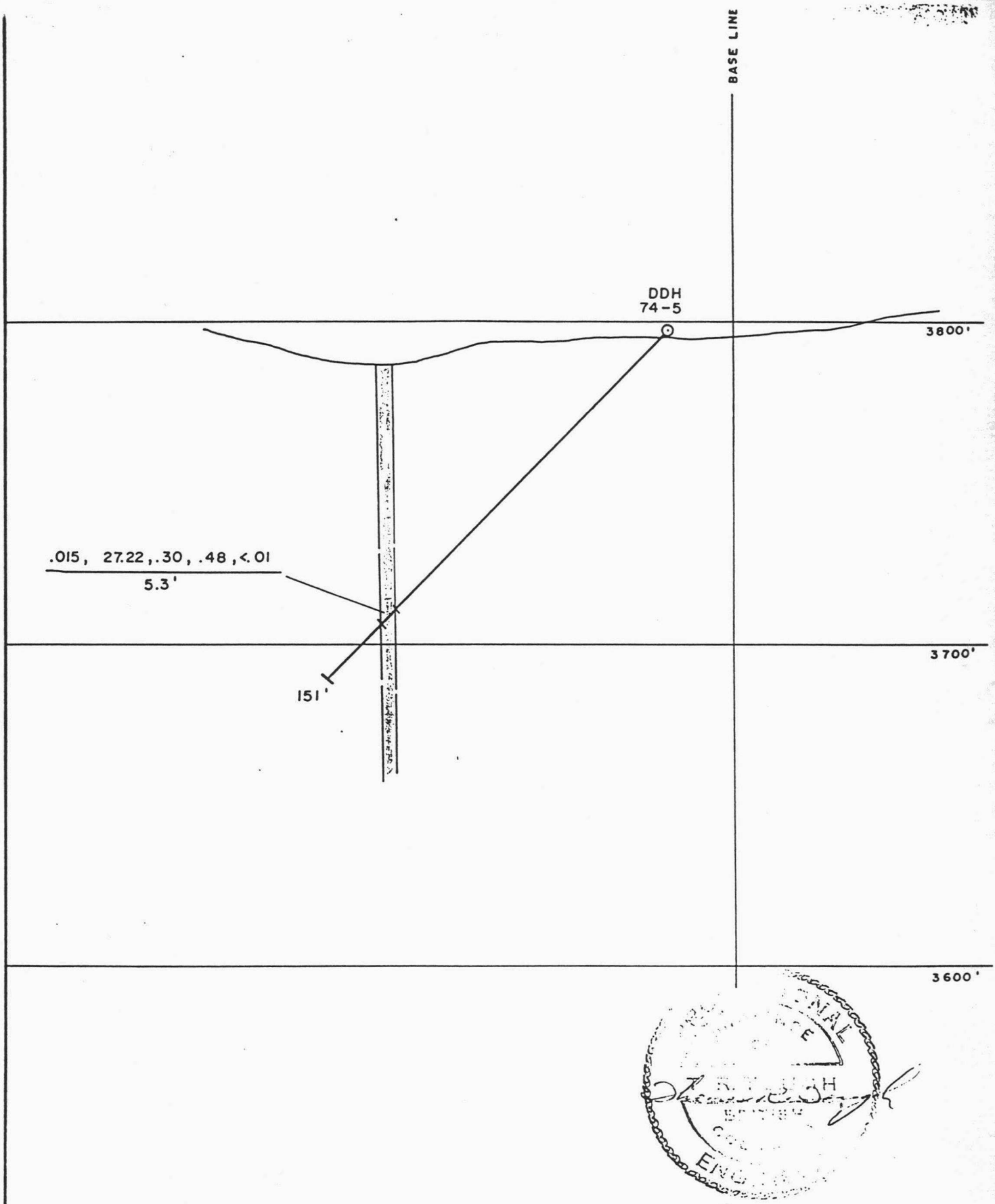
TINTA HILL PROPERTY
SECTION 5+00E

LOOKING NORTH WEST
TINTA HILL, YUKON

ASSAY SEQUENCE
Au. oz/t., Ag oz/t., Pb %, Zn %, Cu %, Cd %
True width in feet

SCALE
FEET 40 0 40 FEET

Sept. 1974



ASSAY SEQUENCE

Au. oz/t., Ag oz/t., Pb %, Zn %, Cu %

True width in feet

TINTA HILL PROPERTY
SECTION 0+00

LOOKING NORTH WEST

TINTA HILL, YUKON

SCALE

FEET 40 0 40 FEET

Sept. 1974