

CA10 0240

(I)

AURORA
DECEMBER 1988 MONTHLY REPORT

001174

MINEREX RESOURCES LTD.
AURORA NEVADA MINE
SUMMARY DECEMBER 1988 REPORT

PADS NO. 1, 2 AND 3

Total dry tons placed on all three pads	323,137
Plus old leach material used for apron	<u>40,000</u>
TOTAL TONS	363,137

PAD NO. 4

Dry tons placed on pad December	<u>31,072</u>
TOTAL TONS	394,209

Total gold placed on all pads end December 1988	36,184
Total gold recovered and sold to end December 1988	19,388

GOLD RECOVERY 1988 (calendar year)

First Quarter	1,563 ounces
Second Quarter	4,438 ounces
Third Quarter	5,852 ounces
Fourth Quarter	<u>4,683 ounces</u>
	16,536 ounces
 Projected January Recovery	 1,600 ounces

DECEMBER PRODUCTION

		<u>Dore</u>	<u>Gold</u>	<u>Silver</u>
Bar 44	December 6	792.3	363.4	401.6
Bar 45	December 13	1,120.5	511.9	574.9
Bar 46	December 20	1,291.8	484.8	773.9
Bar 47	December 27	<u>872.9</u>	<u>384.1</u>	<u>471.4</u>
		<u>4,077.5</u>	<u>1,744.2</u>	<u>2,221.8</u>
		=====	=====	=====

Mar 88 / Jan 89
 Mar 88
 Jan 89

17.202
 3507
 11578
 12.129

PRODUCTION 1988:

-----MINED-----		-----CRUSHED/AGGLOMERATED/STACKED-----	
-----BCY-----		-----DRY TONS-----	
ADJ. TO MONTH	ACTUAL SURVEY FIGURES	% MOIST	OZ/T GRADE (FIRE ASSAY)
	ORE WASTE	ORE	OLD HEAP
	ORE	WASTE	AGGLOM
	ORE	WASTE	OZ HEAP
JAN	0	0	0
FEB	0	85,376	0
MAR	1,548	79,834	4,635
APR	18,290	42,581	9,367
MAY	8,813	32,554	27,719
JUNE	14,379	48,858	26,695
JULY	12,688	102,740	28,104
AUG	19,319	107,841	27,922
SEPT	9,968	117,914	32,871
OCT	12,507	90,167	26,730
NOV	18,645	83,454	19,002
DEC	12,990	32,718	24,940
waste adj	17,219*	65,436	31,072
		34,438*	
TOTALS TO DATE:	129,147	841,256	258,294
		1,682,506	
		251,694	26,508
		278,203	29,337.94

NOTES:

1. Mining terminated mid-December and crushing December 23. Mining should recommence in the latter half of January (weather permitting) and crushing in the latter half of February.
2. *waste adjustment missed in November for the September aerial.

DECEMBER 1988 AURORA MONTHLY REPORT

1. Summary

	Month		YTD	
	<u>Plan</u>	<u>Actual</u>	<u>Plan</u>	<u>Actual</u>
Ore mined	29,334	25,980	328,400	258,294
Waste mined	141,334	65,436	1,892,046	1,648,068
Strip ratio	4.8	2.52	5.8	6.4
Ore crushed to heap	31,350	31,072	422,930	278,203
Grade (fire)	0.079	0.141	0.089	0.105
Oz. Au recovered	1,942	1,766	24,043	16,536
Stockpile		16,700 tons - plus	1,500 tons	oversize
Manpower		26		

2. Mining

Target were given notice of contract termination for cause and were given until January 23, 1989 to remove all equipment. At time of writing, all of De Atley's crushing equipment has been removed and substantially all of Target's equipment has been removed. Target were denied a Temporary Restraining Order on December 22, 1988 and have filed for Arbitration as provided for under the contract. A list of arbitrators is now under review.

Target completed mining activities during the second week of December. All ore from the 7160 bench has been removed, while 11,000 tons of waste remains. Target also drilled and blasted 28,000 tons of material on the 7140 bench.

The Lost Dutchman began moving equipment onto site the week of January 16, 1989 and mining is scheduled to recommence the week of January 23, 1989. Lost Dutchman expect the crusher system to be installed and operational by the end of February, 1989.

3. Crushing/Agglomerating/Stacking

Crushing was halted on December 23, 1988. Daily crusher production ranged from lows of under 1,000 tons/day to highs of close to 3,000 tons/day. Due to worn screens, the crusher was not crushing to 100% passing 3/8 at all times. All oversized material was billed out at the lower crushing rate.

4. Heap

Leaching of the heaps has slowed due to the colder weather causing freezing problems. Production from the heaps came from heap 2 which is under secondary leach and primary leach at the top of the pad which received fresh ore to fill the area from which material for the apron on pad 4 was taken and heap 4 which is in primary leach. Production from the heaps will decrease during January, February and March until crushing recommences.

5. Plant

Plant production for the month was steady while grade to the plant increased. Flow to the plant decreased due to the cold weather and the freezing problems on the heap. The carbon efficiency in the plant is 82% and one set of regenerated carbon is available to go into the plant when the efficiency drops. The facility we have been using to regenerate our carbon has been sold and will not be available to us in the future. Based on past performance, our carbon efficiency will drop below 80% by March or April. We will be investigating the cost of installing our own kiln over the next few months.

Due to plant supply problems, our cyanide vendor cancelled a 42,000 lb. order and we were forced to purchase cyanide from other sources at more than double the price. Some 22,000 lbs. of cyanide at approximately \$1.20 per pound was obtained and the purchase of a further truck load for the spring is under investigation. Cyanide consumption will decrease due to the colder weather and the use of the drip system. Current cyanide supplies should last until at least mid-March.

The problem with the correlation between AA vs. fire assays during the first part of November has still to be resolved. Rerunning of the crusher sample and second assaying of the pulps has shown no significant deviation from the original results. A report on the matter is being prepared.

6. Drilling

Dateline Drilling have been contracted to do most of the 1989 drilling and a drill is now on site and will start the condemnation drilling on the Frisco Belle the week of January 23, 1989.

7. Manpower

All temporary help have been let go and two of the permanent staff were given two weeks notice on January 6, 1989. A new assistant office manager will be hired to replace the purchasing agent and office assistant. This will reduce the permanent work force to 23.

8. Financial

	<u>December</u>	<u>November</u>
Gold sales	725,445	880,030
Net income	104,016	221,821
Ounces of gold produced	1,735	1,933
Cash operating cost per ounce	\$266	\$247

See attachment "C" for details.

An updated cash flow for the period January 21, 1989 to April 1, 1989 is attached; see attachment "D".

9. Other

The Victor Settlement Letter of Intent was signed with Nevada Goldfields/Siskon in December and the final lease documents were concluded and executed on January 20, 1989.

Rodney N. Duncan
January 23, 1989

Attachments

Attachment "A"	1988 Mining Plan vs. Actual Mining Performance
Attachment "B"	Metallurgical Report
Attachment "C"	Financial Analysis December
Attachment "D"	Forward Cash Flow Analysis to April 1, 1989

ATTACHMENT "A"

**AURORA PLAN V. ACTUAL
1988 MINING PERFORMANCE**

	<u>1988 PLAN</u> <u>ORE BCY</u>	<u>ACTUAL</u>	<u>SHORTFALL</u>	<u>% OF</u> <u>PLAN</u>	<u>WASTE BCY</u>	<u>ACTUAL</u>	<u>SHORTFALL</u>	<u>% OF</u> <u>PLAN</u>
JAN	0				0			
FEB	0				80,000	85,376	5,376	+07%
MAR	9,778	1,548	(8,230)	16%	92,000	79,834	(12,166)	87%
APR	22,333	18,290	(4,043)	82%	68,956	42,581	(26,375)	62%
MAY	14,911	8,813	(6,098)	59%	90,489	32,554	(57,935)	36%
JUNE	16,222	14,379	(1,843)	89%	92,356	48,858	(43,498)	53%
JULY	14,311	12,688	(1,623)	89%	99,511	102,740	3,229	+03%
AUG	17,200	19,319	2,119	+12%	96,711	107,841	11,130	+12%
SEPT	15,267	9,968	(5,299)	65%	82,644	117,914	35,270	+43%
OCT	20,311	12,507	(7,804)	62%	86,222	90,167	3,945	+05%
NOV	19,200	18,645	(555)	97%	86,467	83,454	(3,013)	97%
DEC	<u>14,667</u>	<u>12,990</u>	(1,677)	89%	<u>70,667</u>	<u>32,718</u>	(37,949)	46%
	164,200	129,147			946,023	824,037		
						<u>17,219*</u>		
						841,256		

SUMMARY

JAN/DEC	164,200	129,147	(35,053)	79%	946,023	8241,256	(104,767)	(89%)
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*Waste adjustment missed in November for the September aerial.

DECEMBER 1988

DATE	WET TONS TO HEAP	MOISTURE PERCENT	DRY TONS	Grade Au. Grade Ag oz./ton oz./ton	Oz Au to Heap	Oz Ag to Heap	Ave flow heap-gpm	Flow to pond (tons)
01-Dec-88	1255.2	5.2	1189.9	0.206	245.13	370.07	233	1398
02-Dec-88	637.6	4.3	610.2	0.166	101.29	170.24	262	1572
03-Dec-88	430.9	4.5	411.5	0.150	61.73	102.88	282	1692
04-Dec-88	330.0	4.5	315.2	0.150	47.27	78.79	314	1884
05-Dec-88	1824.7	5.6	1722.5	0.126	217.04	313.50	262	1572
06-Dec-88	3103.4	4.8	2954.4	0.116	342.71	517.03	262	1572
07-Dec-88	2556.7	4.6	2439.1	0.124	302.45	487.82	314	1884
08-Dec-88	3336.8	4.9	3173.3	0.064	203.09	355.41	262	1572
09-Dec-88	2838.6	4.8	2702.3	0.070	189.16	475.61	230	1380
10-Dec-88	1566.1	5.7	1476.8	0.116	171.31	301.27	241	1446
11-Dec-88	73.4	5.0	69.7	0.098	6.83	12.06	240	1440
12-Dec-88	3050.6	5.7	2876.7	0.184	529.32	779.59	252	1512
13-Dec-88	2624.1	5.8	2471.9	0.144	355.95	776.18	200	1200
14-Dec-88	1192.4	6.5	1114.9	0.169	188.42	357.88	136	816
15-Dec-88	2254.4	5.8	2123.6	0.137	290.94	581.88	185	1110
16-Dec-88	2146.1	5.8	2021.6	0.170	343.68	717.68	180	1080
17-Dec-88	0.0	0.0	0.0	0.000	0.00	0.00	149	894
18-Dec-88	0.0	0.0	0.0	0.000	0.00	0.00	233	1398
19-Dec-88	0.0	0.0	0.0	0.000	0.00	0.00	250	1500
20-Dec-88	1212.6	5.6	1144.7	0.112	128.21	193.45	314	1884
21-Dec-88	1211.9	5.5	1145.2	0.125	143.16	225.61	272	1632
22-Dec-88	1118.9	6.7	1043.9	0.076	79.34	139.89	252	1512
23-Dec-88	69.1	6.7	64.5	0.076	4.90	8.64	197	1182
24-Dec-88	0.0	0.0	0.0	0.000	0.00	0.00	153	918
25-Dec-88	0.0	0.0	0.0	0.000	0.00	0.00	149	894
26-Dec-88	0.0	0.0	0.0	0.000	0.00	0.00	157	942
27-Dec-88	0.0	0.0	0.0	0.000	0.00	0.00	272	1632
28-Dec-88	0.0	0.0	0.0	0.000	0.00	0.00	184	1104
29-Dec-88	0.0	0.0	0.0	0.000	0.00	0.00	233	1398
30-Dec-88	0.0	0.0	0.0	0.000	0.00	0.00	233	1398
31-Dec-88	0.0	0.0	0.0	0.000	0.00	0.00	135	810
TOTALS:	32833.5	5.4	31072.2	0.127	3951.92	6965.47		

TOTALS TO DATE:
TONS (dry):
OUNCES PLACED
ON PADS:

TOTAL OUNCES AU.
RECOVERED 1766.00

Attachment "B"

[illegible]

Oz Au IN HEAP	Oz Ag IN HEAP	OZ. AU In Pond	OZ. AG In Pond	OZ. AU IN PLANT	OZ. AG IN PLANT	OZ. AU RECOVERED	OZ. AG RECOVERED
6129.02	4605.25	0	0	56.04	218.62		
6299.31	4882.92	12.42	34.77	118.46	276.24	0.00	0.00
6303.52	4895.94	34.05	100.06	193.90	368.18	0.00	0.00
6286.76	4853.43	47.34	181.43	259.10	432.20	0.00	0.00
6219.61	4776.75	101.91	284.85	318.96	484.25	0.00	0.00
6348.96	4967.84	101.42	298.50	407.13	592.99	0.00	0.00
6599.49	5356.11	125.94	350.83	111.79	265.42	363.00	404.00
6783.88	5651.94	183.30	482.12	172.50	326.13	0.00	0.00
6909.18	5894.49	200.35	540.57	233.24	380.54	0.00	0.00
7012.75	6194.08	198.88	543.82	320.30	553.32	0.00	0.00
7102.49	6359.64	214.59	570.19	386.16	662.66	0.00	0.00
7023.47	6264.96	235.53	600.20	451.08	739.38	0.00	0.00
7461.20	6905.68	282.57	698.16	495.63	780.29	0.00	0.00
7735.68	7628.50	309.60	738.17	35.06	221.65	515.00	572.00
7894.07	7996.00	287.67	701.04	87.02	249.15	0.00	0.00
8105.27	8438.75	274.58	676.12	179.85	413.20	0.00	0.00
8384.89	9056.02	248.82	629.80	269.67	559.94	0.00	0.00
8343.69	9008.24	224.69	577.24	335.00	660.27	0.00	0.00
8291.84	8910.66	238.21	619.15	373.32	715.93	0.00	0.00
8218.29	8776.38	266.22	666.79	418.87	802.58	0.00	0.00
8221.12	8789.07	336.28	773.80	-29.82	114.33	504.00	762.00
8244.64	8887.94	376.85	828.06	49.26	186.82	0.00	0.00
8245.05	8956.61	377.60	835.32	127.43	250.77	0.00	0.00
8180.26	8870.57	361.29	805.16	213.43	375.61	0.00	0.00
8130.54	8833.52	331.01	743.30	293.43	474.52	0.00	0.00
8081.25	8809.79	340.92	716.60	332.81	524.95	0.00	0.00
8041.06	8756.02	336.96	711.50	376.96	583.83	0.00	0.00
7950.54	8620.91	389.61	800.50	30.83	158.93	384.00	471.00
7884.16	8557.04	386.95	791.69	99.88	231.61	0.00	0.00
7789.38	8427.20	440.94	870.74	140.66	282.40	0.00	0.00
7684.83	8321.57	467.97	900.17	218.18	358.60	0.00	0.00
7645.45	8296.87	443.19	861.82	282.34	421.66	0.00	0.00
				1766.00	2209.00		

The Aurora Partnership
Balance Sheet
As At December 31, 1988

Attachment "C"

A S S E T S

	\$
CURRENT	
Cash	422,086
Accounts Receivable and Advances	234,738
Inventory-In-Process	1,076,950
Supplies Inventory	17,142
Prepaid Expenses and Deposits	94,750

	1,845,666

MINERAL PROPERTIES, NET	1,014,957
FIXED, net	1,422,160
DEFERRED FINANCE CHARGES, net	376,794
DEFERRED EXPENDITURES, net	3,367,325
POWER LINE EXTENSION, net	61,459
DEFERRED STRIPPING COSTS	897,892

	7,140,587

	8,986,253
	=====

L I A B I L I T I E S

CURRENT

Accounts Payable and Accruals	416,183
Royalties Payable	311,620
Capital Leases	15,900

	743,703

P A R T N E R S ' E Q U I T Y

BALANCE , CLOSING

Minerex Resources	7,013,381
Pacific Northwest	1,229,169

	8,242,550

	8,986,253
	=====

The Aurora Partnership
Statement of Partners' Equity
As At December 31, 1988

	1 9 8 8		1 9 8 7	
	<u>Minerex</u>	<u>Pacific</u>	<u>Minerex</u>	<u>Pacific</u>
	\$	\$	\$	\$
BALANCE, OPENING	5,768,668	1,162,000	-	-
CONTRIBUTIONS/ALLOCATIONS	243,810	67,169	-	-
NET INCOME/(LOSS)	1,000,903		-	
	<u>7,013,381</u>	<u>1,229,169</u>	<u>-</u>	<u>-</u>
DRAWINGS	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
BALANCE, CLOSING	7,013,381	1,229,169	-	-
	=====	=====	=====	=====

The Aurora Partnership
Statement of Earnings
For the Seven Month Period Ended December 31, 1988

	CURRENT MONTH	YEAR TO DATE
REVENUE	\$	\$
Gold Sales	725,445	5,393,438
Silver Sales	30,450	86,565
Selling Costs	(16,974)	(60,973)
	738,921	5,419,030
Royalties	(44,411)	(333,722)
NET OPERATING REVENUE	694,510	5,085,308
OPERATING COSTS		
Mining (Schedule A)	119,969	1,889,172
Crushing (Schedule A)	136,679	870,524
Milling (Schedule B)	26,333	156,816
Payroll (Schedule B)	119,876	594,070
Maintenance (Schedule B)	17,834	145,826
General and Administrative (Schedule C)	80,923	388,240
Depreciation and Amortization (Schedule D)	104,056	743,794
Operating Costs Before Adjustment	605,670	4,788,442
Inventory-In-Process Adjustment	(136,448)	(537,125)
Deferred Stripping Adjustment	96,556	(324,403)
Total Operating Costs	565,778	3,926,914
OPERATING MARGIN	128,732	1,158,394
INTEREST INCOME	(1,781)	(4,977)
INTEREST ON FINANCING (Schedule C)	26,497	170,156
	24,716	165,179
NET INCOME/(LOSS) BEFORE EXTRAORDINARY ITEMS	104,016	993,215
EXTRAORDINARY ITEMS		
Gain/(Loss) on Sale of Assets	-	7,688
NET INCOME/(LOSS)	104,016	1,000,903
OUNCES OF GOLD PRODUCED	1,735	12,111
OPERATING COSTS PER OUNCE	326	324
CASH OPERATING COSTS PER OUNCE	266	263

The Aurora Partnership
Schedule A - Mining and Crushing Expenses
For the Seven Month Period Ended December 31, 1988

Jan-Dec 88

	CURRENT MONTH \$	YEAR TO DATE \$
MINING EXPENSES		
<u>CONTRACTED</u>		
Ore	44,255	284,828
Waste	70,963	1,547,661
Mobilization	2,116	24,231
Force Account	-	4,731
Reclamation	-	-
Dewatering	580	13,521
Miscellaneous	2,055	7,737
	-----	-----
	119,969	1,882,709
	-----	-----
<u>OTHER</u>	-	6,463
	-----	-----
Total Mining Expenses	119,969	1,889,172
	-----	-----
CRUSHING EXPENSES		
<u>CONTRACTED</u>		
Ore	41,720	454,917
Fines	-	9,419
Agglomeration	30,807	111,096
Stacking	33,580	121,168
Mobilization	2,110	28,386
Generator	3,395	23,765
	-----	-----
	111,612	748,751
	-----	-----
<u>OTHER</u>		
Cement	11,218	70,085
Power	13,849	51,688
	-----	-----
	25,067	121,773
	-----	-----
Total Crushing Expenses	136,679	870,524
	-----	-----
TOTAL MINING AND CRUSHING EXPENSES	256,648	2,759,696
	=====	=====

Note:

Total CONTRACTED Mining and Crushing Expenses	\$ 231,581	\$ 2,631,460
	=====	=====

The Aurora Partnership
Schedule B - Milling, Payroll and Maintenance Expenses
For the Seven Month Period Ended December 31, 1988

	CURRENT MONTH \$	YEAR TO DATE \$
MILLING EXPENSES		
Supplies	1,141	11,207
Cyanide	4,911	60,685 —
Carbon	2,932	2,932
Chemicals	8,146	10,082
Miscellaneous Reagents	58	28,977
Power	6,417	20,585
Assaying	2,728	22,348 —
	-----	-----
	26,333	156,816
	-----	-----
PAYROLL EXPENSES		
Mine Site	50,709	253,836
Mill Site	41,791	186,769
Office Site	8,654	41,312
Employer FICA Tax	7,597	40,021
Federal Unemployment	-	9,607
State Unemployment	150	7,798
SIIS/Workmans Compensation	5,177	31,488
Personnel Insurance	5,798	22,241
Casual Labor	-	998
	-----	-----
	119,876	594,070
	-----	-----
MAINTENANCE EXPENSES		
Automobile Fuel	2,110	18,725
Automobile Leases	3,005	15,848
Automobile Repair and Maintenance	2,049	24,369
Equipment Fuel	5,844	13,543
Equipment Leases	147	8,760
Equipment Repair and Maintenance	2,061	47,637
Maintenance Supplies	2,618	16,944
Other	-	-
	-----	-----
	17,834	145,826
	-----	-----
TOTAL MILLING, PAYROLL AND MAINTENANCE EXPENSES	164,043	896,712
	=====	=====

The Aurora Partnership
Schedule C - General and Administrative Expenses
For the Seven Month Period Ended December 31, 1988

	CURRENT MONTH \$	YEAR TO DATE \$
OPERATING		
Advertising	-	13,161
Bank Charges and Interest	10,006	13,975
Claims/Land Leases	3,000	20,000
Computer Supplies	69	6,539
Communication	-	587
Consulting Service	34,698	98,787
Donations	-	-
Dues and Subscriptions	375	1,524
Education and Training	-	60
Engineering Supplies	-	4,430
Fines and Penalties	-	239
House Rent	1,900	5,048
Insurance	3,128	30,720
Late Charges	-	282
Legal and Accounting	5,938	19,181
Licenses and Permits	149	431
Management Fees	16,667	116,669
Miscellaneous	-	418
Office Supplies	915	12,209
Postage	50	275
Promotion and Entertainment	512	1,432
Property and County Taxes	-	283
Safety Supplies	1,325	7,097
Sanitation	540	3,602
Shipping and Freight	64	3,892
Telephone	1,202	8,466
Training Supplies	-	1,305
Travel	1,120	16,211
Utilities	65	1,417
	-----	-----
TOTAL OPERATING	80,923	388,240
	-----	-----
INTEREST ON FINANCING		
Interest - Humboldt East	7,477	52,339
Interest - Montagu	19,020	117,817
	-----	-----
TOTAL INTEREST ON FINANCING	26,497	170,156
	-----	-----
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	107,420	558,396
	=====	=====

The Aurora Partnership
Schedule D - Depreciation and Amortization
For the Seven Month Period Ended December 31, 1988

	CURRENT MONTH \$	YEAR TO DATE \$
Depreciation	24,329	172,390
Amortization of Deferred Costs	64,112	448,783
Amortization of Mineral Properties	15,615	109,305
Amortization of Leased Equipment	-	13,316
	-----	-----
TOTAL DEPRECIATION AND AMORTIZATION	104,056 =====	743,794 =====

The Aurora Partnership
 Automobile and Equipment Maintenance Analysis
 For the Seven Month Period Ended December 31, 1988

	CURRENT MONTH \$	YEAR TO DATE \$
AUTOMOBILES		
Fuel	2,110	18,725
Leases	3,005	15,848
Repair and Maintenance	2,049	24,369
	-----	-----
	7,164	58,942
	-----	-----
EQUIPMENT		
Fuel	5,844	13,543
Leases	147	8,760
Repairs and Maintenance	2,061	47,637
	-----	-----
	8,052	69,940
	-----	-----
OTHER		
Maintenance Supplies	2,618	16,944
Maintenance Other	-	-
	-----	-----
	2,618	16,944
	-----	-----
TOTAL AUTOMOBILE AND EQUIPMENT MAINTENANCE	17,834 =====	145,826 =====

The Aurora Partnership
Pads Analysis
For the Seven Month Period Ended December 31, 1988

	CURRENT MONTH \$	YEAR TO DATE \$
PADS AND LINERS		
CAPITAL COSTS - PADS AND LINERS	-	9,068
Labor	-	59,090
Materials	158	324,212
Equipment Rentals	338	71,294
Consulting	511	19,801
	-----	-----
	331	483,465
	=====	=====

The Aurora Partnership
Ponds Analysis
For the Seven Month Period Ended December 31, 1988

	CURRENT MONTH \$	YEAR TO DATE \$
PONDS AND LINERS		
Labor	-	5,419
Material	23,070	25,319
Equipment Rentals	1,145	25,711
Consulting	-	-
	-----	-----
	24,215	56,449
	=====	=====

The Aurora Partnership
Statement of Earnings
For the Seven Month Period Ended December 31, 1998

	Actual Current Month	Budget Current Month	Variance	% Variance	Actual Y-T-D	Budget Y-T-D	Variance	% Variance
	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE								
Gold Sales	725,445	725,445	-	0.0	5,393,438	5,393,426	599,988	11.1
Silver Sales	30,450	30,450	-	0.0	86,565	-	(86,565)	-100.0
Selling Costs	(16,974)	(16,974)	-	0.0	(60,973)	-	60,973	-100.0
	738,921	738,921	-	0.0	5,419,030	5,393,426	574,396	10.6
Royalties	44,411	44,411	-	0.0	333,722	428,511	94,789	28.4
NET OPERATING REVENUE	694,510	694,510	-	0.0	5,085,308	5,564,915	479,607	9.4
OPERATING COSTS								
Mining (Schedule A)	119,969	119,969	-	0.0	1,889,172	1,867,844	78,672	4.2
Crushing (Schedule A)	136,679	136,679	-	0.0	870,524	1,266,795	396,271	45.5
Milling (Schedule B)	26,333	26,333	-	0.0	156,816	140,000	(16,816)	-10.7
Payroll (Schedule B)	119,875	119,875	-	0.0	594,070	639,300	45,230	7.6
Maintenance (Schedule B)	17,834	17,834	-	0.0	145,826	109,200	(36,626)	-25.1
General and Administrative (Schedule C)	80,923	80,285	(638)	0.8	386,240	316,607	(71,633)	-18.5
Depreciation and Amortization (Schedule D)	104,056	79,727	(24,329)	30.5	743,794	825,706	81,912	11.0
Operating Costs Before Adjustment	605,670	580,703	-	0.0	4,788,442	5,265,452	469,286	9.8
Inventory-In-Process Adjustment	(136,448)	-	136,448	0.0	(537,125)	-	537,125	-100.0
Deferred Stripping Adjustment	96,556	-	(96,556)	0.0	(324,403)	-	324,403	-100.0
Total Operating Costs	565,778	580,703	39,892	-6.6	3,926,914	5,265,452	1,330,814	33.8
OPERATING MARGIN	128,732	113,807	(14,925)	13.1	1,158,394	299,463	(958,931)	-74.1
INTEREST INCOME	(1,781)	(1,781)	-	0.0	(4,977)	-	4,977	-100.0
INTEREST ON FINANCING (Schedule C)	26,497	26,497	-	0.0	170,156	167,601	(2,555)	-1.5
	24,716	24,716	-	0.0	165,179	167,601	2,422	1.5
NET INCOME/(LOSS) BEFORE EXTRAORDINARY ITEMS	104,016	89,091	(14,925)	16.8	993,215	131,862	(861,353)	-86.7
EXTRAORDINARY ITEMS								
Gain/(Loss) on Sale of Assets	-	-	-	0.0	7,688	-	(7,688)	-100.0
NET INCOME/(LOSS)	104,016	89,091	(14,925)	16.8	1,000,903	131,862	(869,041)	-86.8

The Aurora Partnership
Schedule A - Mining and Crushing Expenses
For the Seven Month Period Ended December 31, 1988

	Actual Current Month \$	Budget Current Month \$	Variance \$	% Variance	Actual Y-T-D \$	Budget Y-T-D \$	Variance \$	% Variance
MINING EXPENSES								
<u>CONTRACTED</u>								
Ore	44,255	44,255	-	0.0	284,828	360,645	75,817	-21.0
Waste	70,963	70,963	-	0.0	1,547,661	1,562,123	14,462	-0.9
Mobilization	2,116	2,116	-	0.0	24,231	45,076	20,845	-46.2
Force Account	-	-	-	0.0	4,731	-	4,731	0.0
Reclamation	-	-	-	0.0	-	-	-	0.0
De-watering	580	580	-	0.0	13,521	-	13,521	0.0
Miscellaneous	2,055	2,055	-	0.0	7,737	-	7,737	0.0
	119,969	119,969	-	0.0	1,882,709	1,967,844	85,135	-4.3
<u>OTHER</u>	-	-	-	0.0	6,463	-	6,463	0.0
Total Mining Expenses	119,969	119,969	-	0.0	1,889,172	1,967,844	78,672	-4.0
CRUSHING EXPENSES								
<u>CONTRACTED</u>								
Ore	41,720	41,720	-	0.0	454,917	633,696	178,779	-28.2
Fines	-	-	-	0.0	9,419	98,280	88,861	-90.4
Agglomeration	30,807	30,807	-	0.0	111,096	165,024	53,928	-32.7
Stacking	33,580	33,580	-	0.0	121,168	180,024	58,856	-32.7
Mobilization	2,110	2,110	-	0.0	28,386	54,006	25,620	-47.4
Generator	3,395	3,395	-	0.0	23,765	23,765	-	0.0
	111,612	111,612	-	0.0	748,751	1,154,795	406,044	-35.2
<u>OTHER</u>								
Cement	11,218	11,218	-	0.0	70,085	70,000	85	0.1
Power	13,849	13,849	-	0.0	51,688	42,000	9,688	23.1
	25,067	25,067	-	0.0	121,773	112,000	9,773	8.7
Total Crushing Expenses	136,679	136,679	-	0.0	870,524	1,266,795	396,271	-31.3
TOTAL MINING AND CRUSHING EXPENSES	256,648	256,648	-	0.0	2,759,696	3,234,639	474,943	-14.7
Note:								
Total CONTRACTED Mining and Crushing Expenses	221,581	221,581	-	0.0	2,631,460	3,122,639	474,943	-15.3

The Aurora Project
Schedule B - Milling, Payroll and Maintenance Expenses
For the Seven Month Period Ended December 31, 1988

	Actual Current Month \$	Budget Current Month \$	Variance \$	% Variance	Actual Y-T-D \$	Budget Y-T-D \$	Variance \$	% Variance
MILLING EXPENSES								
Supplies	1,141	1,141	-	0.0	11,207	10,500	707	6.7
Cyanide	4,911	4,911	-	0.0	60,685	63,000	2,315	-3.7
Carbon	2,932	2,932	-	0.0	2,932	14,000	11,068	-79.1
Chemicals	8,146	8,146	-	0.0	10,082	7,000	3,082	44.0
Miscellaneous Reagents	58	58	-	0.0	28,977	14,000	14,977	107.0
Power	6,417	6,417	-	0.0	20,585	17,500	3,085	17.6
Assaying	2,728	2,728	-	0.0	22,348	14,000		
	26,333	26,333	-	0.0	156,816	140,000	16,816	12.0
PAYROLL EXPENSES								
Mine Site	50,709	50,709	-	0.0	253,836	315,000	93,652	-29.7
Mill Site	41,791	41,791	-	0.0	186,769	189,000	27,281	-14.4
Office Site	8,654	8,654	-	0.0	41,312	31,500	4,863	15.4
Employer FICA Tax	7,597	7,597	-	0.0	40,021	24,500	15,521	63.4
Federal Unemployment	-	-	-	0.0	9,607	23,100	13,493	-58.4
State Unemployment	150	150	-	0.0	7,798	7,700	98	1.3
SIIS/Workmans Compensation	5,177	5,177	-	0.0	31,488	17,500	13,988	79.9
Personnel Insurance	5,798	5,798	-	0.0	22,241	31,000	8,759	-28.3
Casual Labor	-	-	-	0.0	998	-	998	0.0
	119,876	119,876	-	0.0	594,070	639,300	45,230	-7.1
MAINTENANCE EXPENSES								
Automobile Fuel	2,110	2,110	-	0.0	18,725	12,500	6,125	48.6
Automobile Leases	3,005	3,005	-	0.0	15,848	16,100	252	-1.6
Automobile Repair and Maint.	2,049	2,049	-	0.0	24,369	33,600	9,231	-27.5
Equipment Fuel	5,844	5,844	-	0.0	13,543	10,500	3,043	29.0
Equipment Leases	147	147	-	0.0	8,760	1,400	7,360	525.7
Equipment Repair and Maint.	2,061	2,061	-	0.0	47,637	21,000	26,637	126.8
Maintenance Supplies	2,618	2,618	-	0.0	15,944	14,000	2,944	21.0
Other	-	-	-	0.0	-	-	-	0.0
	17,834	17,834	-	0.0	145,826	109,200	36,626	33.5
TOTAL MILLING, PAYROLL AND MAINTENANCE EXPENSES	164,043	164,043	-	0.0	896,712	898,500	8,212	0.9

The Aurora Partnership
Schedule C - General and Administrative Expenses
For the Seven Month Period Ended December 31, 1988

	Actual Current Month \$	Budget Current Month \$	Variance \$	% Variance	Actual Y-T-D \$	Budget Y-T-D \$	Variance \$	% Variance
OPERATING								
Advertising	-	-	-	0.0	13,161	-	13,161	0.0
Bank Charges and Interest	10,006	10,006	-	0.0	13,975	5,139	7,837	127.7
Claims/Land Leases	3,000	3,000	-	0.0	20,000	20,000	-	0.0
Computer Supplies	69	69	-	0.0	6,539	-	6,539	0.0
Communication	-	-	-	0.0	587	-	587	0.0
Consulting Service	34,698	33,430	1,268	3.8	98,787	70,000	28,787	41.1
Donations	-	-	-	0.0	-	-	-	0.0
Dues and Subscriptions	375	375	-	0.0	1,524	-	1,524	0.0
Education and Training	-	-	-	0.0	50	-	50	0.0
Engineering Supplies	-	-	-	0.0	4,430	-	4,430	0.0
Fines and Penalties	-	-	-	0.0	239	-	239	0.0
House Rent	1,900	-	1,900	0.0	5,048	7,700	2,652	-34.4
Insurance	3,128	3,128	-	0.0	30,720	28,000	2,720	9.7
Late Charges	-	-	-	0.0	282	-	282	0.0
Legal and Accounting	5,938	6,568	630	-9.6	19,181	35,000	15,819	-45.2
Licenses and Permits	149	149	-	0.0	431	-	431	0.0
Management Fees	16,667	16,667	-	0.0	116,669	116,669	-	0.0
Miscellaneous	-	-	-	0.0	418	-	418	0.0
Office Supplies	915	915	-	0.0	12,209	-	12,209	0.0
Postage	50	50	-	0.0	275	-	275	0.0
Promotion and Entertainment	512	512	-	0.0	1,432	-	1,432	0.0
Property and County Taxes	-	-	-	0.0	293	-	293	0.0
Safety Supplies	1,325	1,325	-	0.0	7,097	7,200	103	-1.4
Sanitation	540	540	-	0.0	3,602	-	3,602	0.0
Shipping and Freight	64	64	-	0.0	3,892	-	3,892	0.0
Telephone	1,202	1,202	-	0.0	8,466	8,400	66	0.8
Training Supplies	-	-	-	0.0	1,305	-	1,305	0.0
Travel	1,120	1,120	-	0.0	16,211	17,500	1,289	-7.4
Utilities	65	65	-	0.0	1,417	-	1,417	0.0
TOTAL OPERATING	80,323	80,285	638	0.8	398,240	316,607	71,633	22.6
INTEREST ON FINANCING								
Interest - Humboldt East	7,477	7,477	-	0.0	52,339	52,339	-	0.0
Interest - Montagu	19,020	19,020	-	0.0	117,817	115,262	2,555	2.2
TOTAL INTEREST ON FINANCING	26,497	26,497	-	0.0	170,156	167,601	2,555	1.5
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	107,420	106,782	638	0.6	558,396	484,208	74,188	15.3

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Schedule D - Depreciation and Amortization

For the Seven Month Period Ended December 31, 1988

	24,329	-	24,329	0.0	172,390	248,731	76,341	-30.7
Amortization of Deferred Costs	64,112	64,112	-	0.0	448,783	436,597	12,186	2.6
Amortization of Mineral Properties	15,615	15,615	-	0.0	109,215	109,305	-	0.0
Amortization of Leased Equipment	-	-	-	0.0	13,315	31,073	17,757	-57.1
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL DEPRECIATION AND AMORTIZATION	104,056	79,727	24,329	30.5	743,794	825,706	81,912	-9.9

The Aurora Partnership
Automobile and Equipment Maintenance Analysis
For the Seven Month Period Ended December 31, 1988

	Actual Current Month \$	Budget Current Month \$	Variance \$	% Variance	Actual Y-T-D \$	Budget Y-T-D \$	Variance \$	% Variance
AUTOMOBILES								
Fuel	2,110	2,110	-	0.0	18,725	12,600	6,125	48.6
Leases	3,005	3,005	-	0.0	15,848	16,100	252	-1.6
Repair and Maintenance	2,049	2,049	-	0.0	24,369	33,600	9,231	-27.5
	7,164	7,164	-	0.0	58,942	62,300	3,358	-5.4
EQUIPMENT								
Fuel	5,844	5,844	-	0.0	13,543	10,500	3,043	29.0
Leases	147	147	-	0.0	8,760	1,400	7,360	525.7
Repairs and Maintenance	2,061	2,061	-	0.0	47,637	21,000	26,637	126.8
	8,052	8,052	-	0.0	69,940	32,900	37,040	112.6
OTHER								
Maintenance Supplies	2,618	2,618	-	0.0	16,944	14,000	2,944	21.0
Maintenance Other	-	-	-	0.0	-	-	-	0.0
	2,618	2,618	-	0.0	16,944	14,000	2,944	21.0
TOTAL AUTOMOBILE AND EQUIPMENT MAINTENANCE	17,834	17,834	-	0.0	145,826	109,200	36,626	33.5

The Aurora Partnership
Production Budget
For the Month Ended December 31, 1988

	UNIT OF MEASURE	ACTUAL COST \$	ACTUAL UNITS	ACTUAL UNIT COST \$	BUDGET COST \$	BUDGET UNITS	BUDGET UNIT COST \$	UNIT VARIANCE	UNIT VARIANCE COST
MINING									
Dre	BCY	44,255	12,990	3.41	37,801	12,990	2.91	-	0.0
Waste	BCY	70,963	52,170	1.36	129,382	52,170	2.48	-	0.0
Mobilization	Dry Ton	2,116	-	2,116.00	-	-	0.15	-	0.0
Force Account		-			-				
Reclamation		-			-				
Devatering		580			580				
Miscellaneous		2,055			2,055				
Other (non-contracted)		-			-				
		119,969			167,193				
CRUSHING									
Ore 3/8"	Dry Ton	41,720	31,073	1.34	74,575	31,073	2.40	-	0.0
Ore 3/4"	Dry Ton	-	-	-	-	-	1.90	-	0.0
Fines	Dry Ton	-	-	-	-	-	1.56	-	0.0
Agglomeration	Dry Ton	30,807	31,072	0.99	17,090	31,072	0.55	-	0.0
Stacking	Dry Ton	33,580	31,072	1.08	18,643	31,072	0.60	-	0.0
Mobilization	Dry Ton	2,110	-	2,110.00	-	-	0.18	-	0.0
Generator Rental		3,395			3,395				
Cement		11,218			11,218				
Power		13,849			13,849				
		136,679			138,770				
TOTAL MINING AND CRUSHING		256,648							

THE AURORA PARTNERSHIP
WEEKLY CASH FLOW ANALYSIS
Mid-January 1989 to March 1989

Week Ending	Jan. 21	Jan. 28	Feb. 4	Feb. 11	Feb. 18	Feb. 25	Mar. 4	Mar. 11	Mar. 18	Mar. 25	Apr. 1	11 Week Totals
Cash - opening	343,900	438,151	512,709	545,207	631,861	680,801	576,012	608,127	669,529	686,981	332,350	1,319,283
Cash Receipts												
- gold sales	171,108	131,100	120,175	123,700	117,150	106,500	107,325	98,325	96,185	117,565	130,150	560,317
Cash Disbursements												
- mining/crushing	-	-	-	-	-	142,102	-	-	-	418,215	-	197,500
- payroll	-	-	39,500	-	39,500	-	39,500	-	39,500	-	39,500	84,000
- milling/maintenance	5,000	15,000	10,000	12,000	-	5,000	10,000	7,000	10,000	-	10,000	67,058
- interest payments	22,379	7,477	-	-	-	7,477	-	-	-	22,248	7,477	86,500
- general and admin/consulting	12,500	7,500	4,000	5,000	12,000	15,000	4,000	5,000	7,500	10,000	4,000	90,018
- royalties (7%)	11,978	8,565	9,177	10,046	6,710	6,710	6,710	9,923	6,733	6,733	6,733	68,000
- drilling	-	-	25,000	-	-	25,000	-	-	-	-	-	135,000
- pad and pond construction	25,000	-	-	10,000	10,000	10,000	15,000	15,000	15,000	15,000	20,000	-
	(76,857)	(56,542)	(87,677)	(37,046)	(68,210)	(211,289)	(75,210)	(36,923)	(78,733)	(472,196)	(87,710)	(1,288,393)
Cash - closing	438,151	512,709	545,207	631,861	680,801	576,012	608,127	669,529	686,981	332,350	374,790	

ASSUMPTIONS:

1. Mining activity restarts on Jan. 23/89 and crushing on Feb. 27/89.
2. Estimated gold recoveries in ounces are: Jan. '89 - 1,655; Feb. '89 - 1,000; Mar. '89 - 1,000.
3. Prices used for proceeds on gold sold are: Jan. '89 - 700 oz. @ \$424.50, 700 oz. @ \$437 and 255 oz. @ \$400; Feb. '89 - 700 oz. @ \$426 and 300 oz. @ \$437; Mar. '89 - 700 oz. @ \$427.50 and 300 oz. @ \$437 (note that Jan. to Mar. '89 prices have been fixed through forward sales).
4. \$50,000 of the drilling costs are on Frisco Belle (for waste dumps only).
5. The analysis excludes cost of Victor settlement up front payment but includes additional 2% NSR effective mid-Jan. '89.
6. The analysis assumes payments for Canada Tungsten management fees of \$20,000 over this period.
7. By the end of Mar. '89, projected mining and crushing costs for the month total \$584,964, payable by Apr. 25/89.
8. Add'l legal fees for Victor claim and Target dispute provided as to \$10,000 in Jan. '89 and \$10,000 in Feb. '89.

Note that at December 31, 1988, management fees owed to Minerex and Pacific are \$100,000 and \$66,667 respectively and NSR payable to Pacific is \$137,632. None of these amounts have been provided for in this analysis.