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ITEM 24

# BUCKSKIN FEASIBILITY

OCTOBER 5, 1984

Metal Prices: Au=\$400/oz., Ag=\$10.00/oz., Cu=\$.80/lb.

Startup: 3-1-85  
 Period: 3/1/85 through 11/15/86 (depletion of stockpile)  
 Expenditures: \$5,700,000 to 3/1/85  
 Stockpiles: 45,000 T @ .18 Au, .3 Ag, .7 Cu  
 Underground Mining Rate: 4,800 T/Month @ .19 Au, .3 Ag, .7 Cu  
 Surface Mining Rate: 2,000 T/Month @ .16 Au, .6 Ag, Assume no Cu  
 Milling Rate: 9,000 T/Month total @ .18 Au, .4 Ag, .5 Cu

(From stockpile 2,200 tons/month). Gross Value = \$84.00/Ton

Milling rate by ore type (Stockpile will be nearly 100% sulfide) = 7,000 T/Month Sulfide, 2,000 T/Month oxide.

Recoveries from mixed ore (assume no free gold in oxide ore will flot):

## In concentrate Form:

Cu = 96% Conc. ratio 22.3/1  
 Au = 85% x 7,000 T + 0% x 2,000 T = 66.1%  
 Ag = 80% x 7,000 T + 0% x 2,000 T = 62.2%

## In precip form:

Cu = None  
 Au = 12% x 7,000 T + 90% x 2,000T = 29.3%  
 Ag = 13% x 7,000 T + 66% x 2,000T = 24.7%

Value of concentrate \$ 1,148.95/Ton = \$51.52/ton ore

Grade of precip., is unknown at this time; assume that charges total 2% of value:

Value of precip = (29.3% x .16 oz Au/ton x \$400 + 24.7% x .6 oz Ag/Ton x \$10.00)x98%  
\$19.83/ton ore

Total value of concentrate and precip. = \$71.35/ton ore = 84.9% of gross

## Cost of Operating:

Underground mining \$125,000 + 4,800T = \$26.04/ton for 4800T/month

Open cut mining \$12,340 + 2000T = \$ 6.17/ton for 2000T/month

No mining cost for 2200T/month for stockpiled ore.

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Average cost of mining = \$15.26/Ton sent to mill.

Cost of milling \$13.00

Indirect cost 1.00

Total operating costs \$29.26

Revenue per ton \$71.35 less \$29.26 = \$42.09

Revenue per month \$42.09 x 9000T = \$378,810

Income 3/1/85 through 11/15/86:

20½ months x \$378,810 = \$7,765,600

Less \$650,000 royalties.

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Period 11/15/86 through 12/31/87

Underground mining rate: 7,000T/Month @ .19 Au, .3 Ag, .7 Cu

Surface mining rate: 2,000T/Month @ .16Au, .6 Ag, no Cu

Milling rate: 9,000T/Month @ .18 Au, .4 Ag, .5 Cu

Total value of concentrate & precip: 71.35 /Ton ore

Mining Cost 7,000T @ \$26.04 + 2,000T @ \$6.17 = 9,000T x \$21.62

Milling Cost 13.00

Indirect cost 1.00

Total operating cost \$35.62

Revenue per ton: \$71.35 less \$35.62. = \$35.73

Revenue per month \$35.73 x 9,000T = \$321,570

Income 11/15/86 through 12/31/87  
13½ months x \$321,570 = \$4,341,200

Less \$350,000 royalties

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INCOME 3/1/85 through 12/31/87: = \$12,106,800 Less \$1,000,000 royalties

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Period: 1988

Underground mining rate  
(no open-pit oxide ore remaining)

9,000T/Month

Milling rate:

9,000T/Month @ .19 oz./T Au, .3 oz./T Ag, .7% Cu

Total value of concentrate =

\$67.60/ton ore

Mining Cost

26.04

Milling Cost

13.00

Indirect Cost

1.00

Total Operating Cost

40.04

Revenue per ton ore

27.56

Revenue per month

248,000

Income 1988

\$2,976,200

Less Royalty

350,000

Income 3/1/85 through 1988 = \$15,080,000

Less Royalties

1,350,000

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