

Mulberry Mine-500 TPH

Rock Recovery (%) = 95%
 Selling Price (\$/T) = 16.00
 Selling Price Escalation Factor = 3.0%
 Operations/Sales Fee (%) = 3.0%
 Operating Cost (\$/T) = 10.50
 Operating Cost Escalation Factor (%) = 2.0%
 Mine Development Cost (\$1000) = 1,250
 Equipment Cost (\$1000) = 6,100
 Equipment Salvage Value (\$1000) = 1,000
 Land Acquisition Cost (\$1000) = 3,500
 Working Capital (\$1000) = 750
 Tax Rate (%) = 40%

MACRS 7-Year Depreciation Schedule							
0.1429	0.2449	0.1749	0.1249	0.0893	0.0892	0.0893	0.0446

Year	0	1	2	3	4	5	6	7	8	9	
Pit Production (1000 T)		300	500	700	900	1,100	1,100	1,100	1,100		6,800
Rock Recovery (%)		95%	95%	95%	95%	95%	95%	95%	95%		
Production (1000 T)		285	475	665	855	1,045	1,045	1,045	1,045		
Selling Price (\$/T)		16.00	16.48	16.97	17.48	18.01	18.55	19.10	19.68		
Gross Revenue (\$1000)		4,560	7,828	11,288	14,949	18,819	19,383	19,965	20,563		
Administration & Mangement (\$1000)		(137)	(235)	(339)	(448)	(565)	(581)	(599)	(617)		3,521
Net Revenue (\$1000)		4,423	7,593	10,949	14,500	18,254	18,802	19,366	19,947	1,000	
Operating Cost (\$/T)		10.50	10.71	10.92	11.14	11.37	11.59	11.82	12.06		
Operating Cost (\$1000)		(2,993)	(5,087)	(7,265)	(9,527)	(11,877)	(12,115)	(12,357)	(12,604)		
Development (70%)((\$1000)		(875)									
Depreciation (\$1000)		(872)	(1,494)	(1,067)	(762)	(545)	(544)	(545)	(272)		
Amortization (30% Dev.) (\$1000)		(75)	(75)	(75)	(75)	(75)					
WC Write-Off (\$1000)										(750)	
Before Depletion (\$1000)		(391)	937	2,543	4,136	5,757	6,143	6,464	7,071	250	
50% Limit		(195)	469	1,271	2,068	2,879	3,071	3,232	3,535		
% Depletion (\$1000)		221	380	1,469	1,160	1,460	1,504	1,549	1,596		
Cost Depletion (\$1000)		154	257	346	288	134	-	-	-		
Selected Depletion (\$1000)		(154)	(380)	(1,271)	(1,160)	(1,460)	(1,504)	(1,549)	(1,596)		(9,075)
Taxable Income		(545)	557	1,271	2,976	4,297	4,639	4,915	5,475	250	
Tax Due @ 40%		218	(223)	(509)	(1,190)	(1,719)	(1,856)	(1,966)	(2,190)	(100)	
Net Income (\$1000)		(327)	334	763	1,786	2,578	2,783	2,949	3,285	150	
Depreciation (\$1000)		872	1,494	1,067	762	545	544	545	272		
Depletion Taken (\$1000)		154	380	1,271	1,160	1,460	1,504	1,549	1,596		
Amortization (\$1000)		75	75	75	75	75					
Capital Equipment (\$1000)	(6,100)										
Capital Development (30%) (\$1000)		(375)									
Working Capital (\$1000)	(750)									750	
Land Acquisition (\$1000)	(3,500)										
	(10,350)	399	2,283	3,176	3,783	4,658	4,832	5,043	5,153	900	19,876
ATCF	(10,350)	399	2,283	3,176	3,783	4,658	4,832	5,043	6,053		

Min. ROR = 12%
 NPV = 6,307
 DCFROR = 23.6%