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SQUAW PEAK EVALUATION REPORT

Essex International, Inc.

May 5, 1974

D.P. Bellum

SUMMARY

The Squaw Peak is a small porphyry copper deposit located near Camp Verde, Arizona. It is mineable by open pit methods and contains 11,658,000 tons averaging 0.42% copper with 0.076 ounces per ton of silver and 0.002 ounces per ton of gold. The stripping ratio is 1.02/1.

It is assumed for this evaluation that it will be developed with a concentrator that has a capacity of 3000 TPD. This results in an 11 year mine life and an annual copper production of approximately 7.5 million pounds per year. Cash flow projections and financial analyses were prepared for four cases. The variables were a "high" and a "low" capital estimate to provide a bracket in the possible range of capital costs, and a "high" and "low" metal price to provide a bracket on the possible range of metal prices. The financial analyses are summarized in the following table.

	<u>Copper Price</u>	<u>Primary Investment</u>	<u>DCF ROR</u>	<u>Total Cost Per lb. Cu*</u>
Case 1-A	70¢/lb.	\$ 9,033,000	5.8%	65.2¢/lb.
Case 1-B	80¢/lb.	\$ 9,033,000	12.7%	68.3¢/lb.
Case 2-A	70¢/lb.	\$10,783,000	3.7%	67.1¢/lb.
Case 2-B	80¢/lb.	\$10,783,000	9.9%	69.9¢/lb.

The total cost includes all direct and indirect costs including depreciation, and state and federal taxes. The direct cost of producing copper in all cases was \$0.55/lb.

The capital costs are based on the assumption that the mining equipment currently in use at the Milford Mine would be transferred to Squaw Peak. The plant would be new but of low cost construction. A precise estimate of the plant cost cannot be made without additional metallurgical studies and preliminary plant design; therefore, two plant costs were developed to span the expected range of costs that might be incurred.

* Includes precious metal credits.

CONCLUSION

The Squaw Peak property is marginal due to both low grade and small tonnage. As a result, the economic returns at today's metal prices and production costs are not overly attractive. However, the rate of return is very sensitive to profit margin and any factor that affects the profit margin such as copper prices, metal recoveries, or production costs, can have a disproportionate affect on the economics. This property can be held at a relatively low cost for several years by an annual payment of \$10,000 and annual work commitments of \$10,000 for 1974, 1975, and 1976, and \$20,000 for 1977 through 1981. Approximately \$110,000 of work is proposed in this report to obtain a more definitive estimate of the viability of this property and this work can be done over a period of years to satisfy the work commitments or in a relatively short period of time if metal prices should increase sharply.

GENERAL

The Squaw Peak copper deposit is located 8 miles south of Camp Verde in Yavapai County, Arizona. It is approximately 75 airline miles north of Phoenix, Arizona. It is a small-tonnage low-grade porphyry deposit at the surface on the east slope of Squaw Peak at an elevation of 4500 feet which is approximately 1500 feet above the Verde River. The terrain is steep and covered with low brush and juniper trees.

Mining claims were first staked in 1883 but the first extensive work on the property was done during World War II. At that time 4000 feet of underground workings were developed and a small amount of ore was mined. Phillips Petroleum optioned the property in 1967 and undertook geological and geophysical investigations and drilling. Phillips terminated their option in 1973 and Essex acquired the property in August 1973. Essex has since conducted geological investigations and drilling.

The nearest town, Camp Verde, originally was a mining town, which has a population of approximately 2,000. The closest railroad siding is at Clarkdale which is 30 miles from the property. There are very limited services available in the area and most materials and supplies would have to be shipped from Phoenix, 95 miles to the south.

Although this area of Arizona was once highly dependent upon mining it is currently tourist oriented and some property around Camp Verde has been developed for cabin sites. No subdivisions have been developed in the immediate vicinity of the deposit, but some environmental descent may be expected if a decision is made to mine the deposit.

LAND

The land controlled by Essex is under option from the Squaw Peak Mining Company and includes 138 unpatented mining claims including 6 millsite claims (approximately 2700 acres). The option extends until Feb. 20, 1981 and the annual option payments are \$10,000 per year. In addition to the option payments there are work commitments of \$10,000 through 1976 and \$20,000 per year thereafter; however, neither the option payments nor the work commitments accrue toward the purchase price. The purchase may be consummated in a single payment of \$1,000,000 or in four annual payments of \$250,000 plus 5½% on the unpaid balance for the second, third and fourth years.

The optioned land is of sufficient acreage to support a mining and concentrating operation and provides for waste dump, tailings areas, and a millsite near the mine. However, it will probably be necessary to purchase property with water rights in the valley for water development.

GEOLOGY

The copper mineralization occurs in intrusive rocks ranging in composition from granite to quartz diorite. The alteration and mineralization features resemble the root zone of a porphyry copper deposit. The mineralization occurs in pre-Cambrian rocks but is associated with a quartz porphyry plug that is of later age. Reconnaissance of the area has not indicated other zones of mineralization that might denote a potential deposit and, with the possible exception of a small high-grade zone, the ore grade material does not extend at depth.

ORE RESERVES

The Squaw Peak deposit has been explored by both surface drilling and underground development. The underground development work was done in the early 1940's. Phillips Petroleum drilled 33 holes from the surface, and conducted geological and geophysical investigations between 1967 and 1972. The Essex exploration staff conducted geological studies during 1973 and 1974, and has drilled 10 additional rotary holes. The geological reserves are estimated to be approximately 20,000,000 tons averaging 0.36 copper using a 0.20% copper cut-off grade.

The mineable ore reserves are estimated to be 11,658,000 tons of averaging 0.42% copper. This tonnage is based on a 0.30% copper cut-off grade which is the minimum grade that will support the production costs. Molybdenum, silver and gold assays have not been run on all of the drilling but the average content of the molybdenum of 0.021% is based

on assays of Phillips drilling plus assays on four of the Essex drill holes. The silver and gold content is based on four of Essex's drill holes and are estimated to be 0.076 oz. Ag per ton and 0.002 oz. Au per ton. The pit was divided into two phases for mining purposes. The first phase includes the high grade core and the second phase includes a low grade extension to the north. The estimated mineable reserves are as follows:

<u>Phase</u>	<u>Ore Tons</u>	<u>% Cu</u>	<u>% Mo</u>	<u>Tons Waste</u>	<u>Strip Ratio</u>
1	8,486,000	0.44	0.021	7,670,000	0.90/1
2	<u>3,172,000</u>	<u>0.36</u>	<u>0.021</u>	<u>4,469,000</u>	<u>1.38/1</u>
Total	11,658,000	0.42	0.021	12,039,000	1.03/1

The deposit is drilled out at approximately 100 foot by 200 foot centers with the exception of the west side of the deposit where additional drilling is required to fill in the pattern. This drilling will probably not increase the reserves but will verify projected ore.

METALLURGY

Rougher bench-tests have been run at Mountain States laboratory on 20 composite samples from four of the holes drilled in 1973 by Essex. The rougher tests indicate an average recovery of 76.5% copper and 73.4% molybdenum. However, there are indications that the first 50 to 100 feet of the ore zone is oxidized which adversely affects the metallurgy. If the oxidized material is excluded the rougher recovery is 82.2% for copper and 80.4% for molybdenum and it may be possible to improve the recovery in the oxidized zone with additional metallurgical testing.

A considerable amount of metallurgical work must be done before a good estimate of the metal recoveries, concentrate grade, grind requirements, and flow sheet requirements can be made. Therefore, it was necessary to assume the following recoveries for this study:

Copper	82% in the Phase 1 Pit
	78% in the Phase 2 Pit
Silver	50%
Gold	50%

The copper recovery of 82% assumes a tailings grade of 0.08% copper in the Phase 1 Pit and 78% recovery also assumes a 0.08% tailings grade in the Phase 2 Pit. Credit was not taken for molybdenum because it is questionable at this time if a saleable product can be made at a price that justifies the cost of recovery.

PRODUCTION METHODS

The deposit is amenable to mining by open pit methods with a relatively low stripping ratio. The mining rate for this study was assumed to be 3000 TPD of ore which provides for a mine life of eleven years. The concentrator would be constructed on an alluvial fan about 1400 feet east of the pit at an elevation of 3900 feet and the tailings would be deposited behind a dam northeast of the concentrator.

The mining operation would be a conventional loader and truck operation and the ore and waste would have to be drilled and blasted. The ore would be hauled about 2000 feet from the pit portal to the crusher and the waste hauls would be 1500 to 2500 feet. It was assumed that the mining equipment would be transferred from the Milford Mine upon depletion of its ore, but a rotary drill would have to be purchased for this operation since one is not available at Milford.

The primary crusher would be located near the mine at an elevation of 4000 feet to reduce the rather steep down-hill haul (-10%) from the mine to the concentrator and the crushed ore would be conveyed approximately 400 feet down-hill to the secondary-tertiary crushing plant at an elevation of 3900 feet. After secondary and tertiary crushing the ore would be ground in single ball mill in closed circuit with cyclones. The flotation and concentrate filtration circuits would be conventional without either concentrate re-grinding or molybdenum recovery circuits. The tailings will be disposed behind a prepared dam about 2500 feet northeast of the concentrator. The tailings pond area is at 3500' elevation and the tailings would gravity feed from the concentrator to the tailings area. It is not planned to thicken the tailings and all water reclamation would be from the tailing pond.

Fresh water for concentrator make-up will probably come from wells located in the Verde River Valley on property adjacent to the mining claims and would be pumped one to two miles to the concentrator.

The offices, shops, warehouse, and assay office would be located adjacent to the concentrator. Power will have to be delivered to the mine site but the local power company has not been contacted to determine the terms for power delivery.

It was assumed for this study that concentrates would be sold to the Inspiration smelter at the prevailing purchase schedule because it is the nearest custom smelter. However, there are other alternatives for concentrate processing that will be reviewed.

PRODUCTION STATISTICS AND COSTS

The production rates will vary from year-to-year as stripping requirements and metal values change but in general there are two production periods corresponding to the two phases of mining. The statistics are broken down into these two periods and summarized below and detailed annual statistics are included in the Appendix.

Estimated Annual Production @ 3000 TPD

	<u>For Years 1-8</u>	<u>For Years 9-11</u>	<u>Total</u>
Tons-Waste	1,075,000	646,000	10,539,000
Tons-Ore	1,050,000	1,050,000	11,658,000
Copper Grade	0.44%	0.36%	0.42%
Copper Recovery	82%	78%	81%
Concentrate Grade	25% Cu	25% Cu	25% Cu
Copper Produced - lbs.	7,577,000	5,897,000	78,914,000
Silver Produced - oz.	14,000	11,000	146,000
Gold Produced - oz.	1,000	1,000	11,000

The daily ore production rate of 3000 tons provides a life of slightly over 11 years. The possibility of operating at a higher rate was reviewed but the additional capital required adversely affects the economics because of the marginal profit of the low-grade ore. However, with ore in the range of 0.40% to 0.45% copper, additional reserves and a longer life would have a fructuous effect on the economics.

The mining costs were estimated on the basis of current material and labor costs and reflect the use of loaders as the primary mining equipment. The concentrator costs were estimated on the assumption that the ore is a porphyry of medium hardness which responds well to flotation. The post-concentrator charges were calculated on the basis of the Inspiration smelter schedule and credit was taken in the cash flow projections for the silver and gold content. The post-concentrator cost accounts for 42% of the direct costs. If this cost could be reduced by obtaining a better contract or processing concentrates internally it would improve the economics of the property. No credit was taken for the molybdenum but there is no smelter penalty either. The average costs for the operation are summarized below.

Estimated Production Costs

	<u>Unit Cost</u>	<u>Cost Per Ton Ore</u>	<u>Cost Per lb. Copper</u>
Stripping Cost	\$0.30/ton waste	\$0.27*	\$0.040
Mining Cost	\$0.30/ton ore	0.30	0.044
Concentrating Cost	\$1.10/ton ore	1.10	0.163
General & Admin.	\$0.57/ton ore	0.57	0.084
Total Mine Cost		<u>\$2.24</u>	<u>\$0.331</u>
Post Concentrator Cost	\$0.21/lb. Cu	<u>1.42</u>	<u>0.210</u>
Total Direct Costs		\$3.36	\$0.541
Depreciation & Amortization (\$10,000,000)		<u>0.86</u>	<u>0.128</u>
		\$4.52	\$0.669

The depreciation charges will vary depending upon the capital costs which are covered in the next section. The depreciation based on \$10,000,000 is only an approximate amount to reflect the cost of capital.

CAPITAL INVESTMENT

A definite capital cost estimate may not be made for the evaluation because the cost of developing a precise estimate is not justified at this time. Two preliminary estimates were made to span the probable range of cost that could be expected for the development of this mine. Some of the costs in these estimates are well defined (land and exploration costs) while others cannot be determined with a close degree of accuracy without doing a considerable amount of engineering on the concentrator.

The details of the two estimates are shown in the Tables 1 and 2. The property cost includes the mining property as provided by the option agreements as well as \$100,000 to purchase property with water rights. The depreciable capital includes the concentrator, acillary facilities, and a minimal amount of mining equipment. The concentrator is estimated to cost \$2000 to \$2500 per ton of daily capacity if it is engineered to minimize costs. The shops, warehouse and office would be located at the concentrator. The new mine equipment only includes a rotary drill and other miscellaneous equipment because it is assumed that the mine equipment from Milford would be used when the Milford operation was terminated. The contingency provides funds for power delivery and distribution, access and other items that are not detailed.

* Does not include pre-mine stripping.

TABLE 1

Squaw Peak Capital Costs
3000 TPD Concentrator

Case 1 - Low Cost Estimate

Primary Investment

1. Property Purchase

Ancillary Property (water rights and easements)	\$ 100,000
Mining Property - 1st year	291,000
- 2nd year	278,000
- 3rd year	264,000
- 4th year	<u>250,000</u>
Total Property	\$1,183,000

2. Depreciable Capital

Concentrator @ \$2000/ton daily capacity	\$6,000,000
Shops, office and warehouse	400,000
Mine equipment - use Milford equipment. Cost includes rotary drill and freight for Milford equip.	200,000
Contingency @ 10%	<u>700,000</u>
Depreciable Capital	\$7,300,000

3. Pre-mine stripping - 1,500,000 tons @ \$0.30/ton \$ 450,000

4. Capitalized Exploration costs \$ 100,000

Primary Investment Total \$9,033,000

Revolving Investment

Spare parts @ 7% of equipment cost	\$ 250,000
Production Inventory - 15% of annual NSR @ 70¢ copper price	<u>583,000</u>
	<u>\$ 833,000</u>

TABLE 2

Squaw Peak Capital Costs
3000 TPD Concentrator

Case 2 - High Cost Estimate

Primary Investment

1. Property Purchase

Ancillary Property (water rights and easements)	\$ 100,000
Mining Property - 1st year	291,000
- 2nd year	278,000
- 3rd year	264,000
- 4th year	250,000
Total property	<u>\$ 1,183,000</u>

2. Depreciable Capital

Concentrator @ \$2500/ton daily capacity	\$ 7,500,000
Shops, office and warehouse	500,000
Mine equipment - use Milford equipment. Cost includes rotary drill plus freight for Milford equip.	250,000
Contingence @ 10%	800,000
Depreciable Capital	<u>\$ 9,050,000</u>

3. Pre-mine stripping - 1,500,000 tons @ \$.30/ton \$ 450,000

4. Capitalized Exploration cost \$ 100,000

Primary Investment Total \$10,783,000

Revolving Investment

Spare parts @ 7% equipment cost	\$ 300,000
Production Inventory - 15% of NSR @ 80¢ copper price	<u>702,000</u>
	<u>\$ 1,002,000</u>

FINANCIAL ANALYSIS

The cash flow projections and financial analysis were developed for four cases. The variables used in the cases were two levels of capital investment and two prices for metals. The purpose of analyzing the various cases is to provide a range of rates of return for the conditions that are expected to exist. The details of the production and cash flow projections are shown in tables in the Appendix but the results of the financial analyses are summarized in the following table.

Case Number	1-A	1-B	2-A	2-B
Investment	\$9,033,000	\$9,033,000	\$10,783,000	\$10,783,000
Metal prices - Cu	\$0.700/lb.	\$0.800/lb.	\$0.700/lb.	\$0.800/lb.
- Ag	\$3/oz.	\$4/oz.	\$3/oz.	\$4/oz.
- Au	\$125/oz.	\$150/oz.	\$125/oz.	\$150/oz.
Rate of Return (DCF)	5.8%	12.7%	3.7%	9.9%
<u>Cost of producing copper (\$/lb.)</u>				
Direct cost only	\$0.547	\$0.547	\$0.547	\$0.547
Depreciation	0.099	0.099	0.121	0.121
Taxes	<u>0.042</u>	<u>0.082</u>	<u>0.038</u>	<u>0.076</u>
Total	<u>\$0.688</u>	<u>\$0.728</u>	<u>\$0.706</u>	<u>\$0.744</u>
Precious metal credits	0.036	0.045	0.035	0.045
Net Cost	<u>\$0.652</u>	<u>\$0.683</u>	<u>\$0.671</u>	<u>\$0.699</u>

The rates of return do not display much sensitivity to variances in capital investment but are highly sensitive to variances in profit margin, as indicated by the sensitivity to metal prices. An increase of 14% in copper price resulted in an increase of 36% in the rate of return for Case 1 and a 205% increase for Case 2. Cases were not developed by varying production and post-concentrator costs, ore grades or metal recoveries, but variances in these factors will have a disproportionate effect on the rates of return. If additional test work results in improved metal recoveries, or if a saleable molybdenum concentrate can be produced the economics of the property will improve. Also, a reduction in post-concentrator costs through lower cost tolling charges or processing the concentrates in a company owned smelter would have a favorable impact.

The direct cost of producing copper at \$0.55 per pound is not excessive considering the grade of the ore. The depreciation cost is relatively high because of the small plant size and short mine life. The tax burden is high and it reflects the high taxation rate in Arizona. In three of the four cases the Arizona taxes, which include a severance tax of 2% of the net smelter return, an income tax of 8% of taxable income, and property tax based on the present value of future net proceeds, exceeds the federal income taxes. The determination of the severance and income tax is relatively straight-forward but the property can only be estimated because the criteria for determining the tax rate is established by the State Tax Commission and it varies from year to year. Furthermore, the assessment rate can be appealed and negotiated.

RECOMMENDED EXPLORATION AND DEVELOPMENT WORK

Considerable additional work will be necessary to obtain the data required for a basis to make a final development decision. The work is outlined in two phases and the decision to commit funds for the second phase would be dependent upon the results of the first phase. The work outlined in the first phase will be directed toward refining the data which have the greatest impact on the economics of the property such as ore grade, metal recoveries and concentrating costs. The second phase is directed toward defining the capital cost. The total cost of the recommended work is \$111,000.

Phase 1

The purpose of Phase 1 is to establish reasonable confidence in the basic data. Part of the cost of the work recommended for this phase would be covered by the 1974 work requirement of \$10,000 to maintain the option agreement. The estimated cost of Phase 1 is \$35,000.

- A. Exploration Drilling. A minimum of four 500 foot holes is required to fill in the drill pattern on the west side of the mineralized zone. The drilling probably will not develop additional ore reserves but will confirm projected ore and may expand the tonnage of +0.40% copper mineralization.
Estimated cost: \$28,000.
- B. Ore Reserve Estimate. Upon completion of the drilling a more detailed estimate should be made of the ore reserves. This may entail some limited computer applications.
Estimated cost: \$2,000.
- C. Metallurgical Studies. Complete the metallurgical laboratory work to obtain more definite estimates of the metal recovery, concentrate grade, and the work index. The possibility of molybdenum recovery should be assessed, the recovery problems in the oxidized material should be investigated and a preliminary flow sheet designed.
Estimated cost: \$5,000.

Phase 2

This phase should be initiated only if the results of Phase 1 are favorable and if the economics of the property, based on the current costs and prices at that time, were still favorable. The estimated cost for this phase is \$76,000.

- A. Aerial Photography and Maps. New, more detailed surface maps are required for detailed planning and design of mine and facilities.
Estimated cost: \$5,000.

- B. Pilot Plant Tests. Bulk samples would be obtained of the oxidized material near the surface and of primary ore from one of the adits for pilot plant testing. The purpose of this work would be to verify the bench tests and to provide the information to finalize the flow sheet design. It is a possibility that this work would not be done if there was sufficient confidence in the bench tests.
Estimated cost: \$50,000.

- C. Preliminary Plant Design. The major equipment would be sized and general arrangement drawings would be made of the concentrator, shops and related facilities and construction cost estimates would be developed. Several alternative schemes would be reviewed including a plant designed around available used equipment.
Estimated cost: \$15,000.

- D. Environmental Impact Studies. A consultant would be employed to make the initial environmental studies necessary for the preliminary plant engineering.
Estimated cost: \$5,000.

- E. Concentrate Processing. The various alternatives for processing of concentrate would be studied and tentative smelting and refining commitments would be obtained.

- F. Evaluation. A definitive evaluation would be made incorporating all of the geologic and engineering data as a basis for a decision regarding either the development or disposal of the property.
Estimated cost: \$1000.

The projected costs of these programs are the estimated cost of outside services and do not include internal corporate costs such as salaries and travel.

D.P. Bellum

Appendix

CASE 1-A

36pp

MV502 FINANCIAL ANALYSTS - COMPUTING ASSOCIATES, INC., TUCSON, ARIZONA
 ESSEA - SQUAW PEAK PROPERTY FINANCIAL EVALUATION - CASE 1-A - APRIL 1974

PRODUCTION STATISTICS, REVENUE, AND COSTS

YEAR	1975	1976	1977	1978	1979	1980
PRODUCTION STATISTICS						
WASTE TONS MINED	500000.	1000000.	1200000.	1200000.	1200000.	1200000.
ORE TONS MINED	0.	0.	1050000.	1050000.	1050000.	1050000.
AVERAGE COPPER GRADE	0.000	0.000	.440	.440	.440	.440
AVERAGE MOLY GRADE	0.000	0.000	0.000	0.000	0.000	0.000
AVERAGE SILVER GRADE	0.000	0.000	.076	.076	.076	.076
AVERAGE GOLD GRADE	0.000	0.000	.002	.002	.002	.002
COPPER RECOVERY	.820	.820	.820	.820	.820	.820
MOLY RECOVERY	0.000	0.000	0.000	0.000	0.000	0.000
SILVER RECOVERY	.500	.500	.500	.500	.500	.500
GOLD RECOVERY	.500	.500	.500	.500	.500	.500
TOTAL POUNDS COPPER	0.	0.	7576800.	7576800.	7576800.	7576800.
TOTAL POUNDS MOLY	0.	0.	0.	0.	0.	0.
TOTAL OUNCES SILVER	0.	0.	39900.	39900.	39900.	39900.
TOTAL OUNCES GOLD	0.	0.	1050.	1050.	1050.	1050.

METAL PRICE AND REVENUE

CU REVENUE - .70/LB	0.	0.	5304000.	5304000.	5304000.	5304000.
MO REVENUE - 2.00/LB	0.	0.	0.	0.	0.	0.
AG REVENUE - 3.00/OZ	0.	0.	120000.	120000.	120000.	120000.
AU REVENUE - 125./OZ	0.	0.	131000.	131000.	131000.	131000.
GROSS REVENUE	0.	0.	5555000.	5555000.	5555000.	5555000.

PRODUCTION COSTS

WASTE AT .300 / TON	150000.	300000.	360000.	360000.	360000.	360000.
ORE AT .300 / TON	0.	0.	315000.	315000.	315000.	315000.
CONC AT 1.100 / TON	0.	0.	1155000.	1155000.	1155000.	1155000.
G + A AT .570 / TON	0.	0.	599000.	599000.	599000.	599000.
OPERATING COST	150000.	300000.	2429000.	2429000.	2429000.	2429000.
POST CONC - .210/LB	0.	0.	1591000.	1591000.	1591000.	1591000.
DIRECT PRODUCTS	150000.	300000.	4020000.	4020000.	4020000.	4020000.
DEPRECIATION COST	0.	0.	1086000.	1086000.	889000.	727000.
TOTAL PRODUCTION	150000.	300000.	5347000.	5106000.	4908000.	4747000.
DIRECT PROD / LB CU	0.000	0.000	.531	.531	.531	.531
TOTAL PROD / LB CU	0.000	0.000	.706	.674	.648	.626

MV502 FINANCIAL ANALYSTS - COMPUTING ASSOCIATES, INC., TUCSON, ARIZONA
 ESSEX - SQUAW PEAK PROPERTY FINANCIAL EVALUATION - CASE 1-A - APRIL 1974

PRODUCTION STATISTICS, REVENUE, AND COSTS

YEAR	1981	1982	1983	1984	1985	1986
PRODUCTION STATISTICS						
WASTE TONS MINED	1000000.	1000000.	900000.	900000.	800000.	700000.
ORE TONS MINED	1050000.	1050000.	1050000.	1050000.	1050000.	1050000.
AVERAGE COPPER GRADE	.440	.440	.440	.440	.360	.350
AVERAGE MOLY GRADE	0.000	0.000	0.000	0.000	0.000	0.000
AVERAGE SILVER GRADE	.076	.076	.076	.076	.076	.076
AVERAGE GOLD GRADE	.002	.002	.002	.002	.002	.002
COPPER RECOVERY	.820	.820	.820	.820	.780	.780
MOLY RECOVERY	0.000	0.000	0.000	0.000	0.000	0.000
SILVER RECOVERY	.500	.500	.500	.500	.500	.500
GOLD RECOVERY	.500	.500	.500	.500	.500	.500
TOTAL POUNDS COPPER	7576800.	7576800.	7576800.	7576800.	5896800.	5896800.
TOTAL POUNDS MOLY	0.	0.	0.	0.	0.	0.
TOTAL OUNCES SILVER	39900.	39900.	39900.	39900.	39900.	39900.
TOTAL OUNCES GOLD	1050.	1050.	1050.	1050.	1050.	1050.

METAL PRICE AND REVENUE

CU REVENUE - .70/LB	5304000.	5304000.	5304000.	5304000.	4128000.	4128000.
MO REVENUE - 2.00/LB	0.	0.	0.	0.	0.	0.
AG REVENUE - 3.00/OZ	120000.	120000.	120000.	120000.	120000.	120000.
AU REVENUE - 125.00/OZ	131000.	131000.	131000.	131000.	131000.	131000.
GROSS REVENUE	5555000.	5555000.	5555000.	5555000.	4379000.	4379000.

PRODUCTION COSTS

WASTE AT .300 / TON	300000.	300000.	270000.	270000.	240000.	210000.
ORE AT .300 / TON	315000.	315000.	315000.	315000.	315000.	315000.
CONC AT 1.100 / TON	1155000.	1155000.	1155000.	1155000.	1155000.	1155000.
G + A AT .570 / TON	599000.	599000.	599000.	599000.	599000.	599000.
OPERATING COST	2369000.	2369000.	2339000.	2339000.	2309000.	2279000.
POST CONC - .210/LB	1591000.	1591000.	1591000.	1591000.	1238000.	1238000.
DIRECT PRODUCTION	3960000.	3960000.	3930000.	3930000.	3547000.	3517000.
DEPRECIATION COST	595000.	653000.	509000.	400000.	316000.	251000.
TOTAL PRODUCTION	4554000.	4613000.	4439000.	4329000.	3863000.	3768000.
DIRECT PROD / LB. CU	.523	.523	.516	.519	.601	.596
TOTAL PROD / LB. CU	.601	.609	.586	.571	.655	.639

MVS02 FINANCIAL ANALYSIS - COMPUTING ASSOCIATES, INC., TUCSON, ARIZONA
 ESSEX - SQUAN PEAK PROPERTY FINANCIAL EVALUATION - CASE 1-A - APRIL 1974

PRODUCTION STATISTICS, REVENUE, AND COSTS

YEAR	1987	1988
PRODUCTION STATISTICS		
WASTE TONS MINED	439000.	0.
ORE TONS MINED	1050000.	108000.
AVERAGE COPPER GRADE	.360	.360
AVERAGE MOLY GRADE	0.000	0.000
AVERAGE SILVER GRADE	.076	.076
AVERAGE GOLD GRADE	.002	.002
COPPER RECOVERY	.780	.780
MOLY RECOVERY	0.000	0.000
SILVER RECOVERY	.500	.500
GOLD RECOVERY	.500	.500
TOTAL POUNDS COPPER	896800.	606528.
TOTAL POUNDS MOLY	0.	0.
TOTAL OUNCES SILVER	39900.	4104.
TOTAL OUNCES GOLD	1050.	108.

METAL PRICE AND REVENUE	
CU REVENUE - .70/LB	425000.
MO REVENUE - 2.00/LB	0.
AG REVENUE - 3.00/OZ	12000.
AU REVENUE - 125.00/OZ	14000.
GROSS REVENUE	450000.

PRODUCTION COSTS	
WASTE AT .300 / TON	0.
ORE AT .300 / TON	32000.
CONC AT 1.100 / TON	119000.
G + A AT .570 / TON	62000.
OPERATING COST	213000.
POST CONC - .219/LB	127000.
DIRECT PRODUCTION	340000.
DEPRECIATION COST	847000.
TOTAL PRODUCTION	1187000.
DIRECT PROD / LB CU	.561
TOTAL PROD / LB CU	1.957

MV502 FINANCIAL ANALYSIS - COMPUTING ASSOCIATES, INC., TUCSON, ARIZONA
 ESSEX - SQUAW PEAK PROPERTY FINANCIAL EVALUATION - CASE 1-A - APRIL 1974

PRODUCTION STATISTICS, REVENUE, AND COSTS

YEAR	TOTAL
PRODUCTION STATISTICS	
WASTE TONS MINED	12039000.
ORE TONS MINED	11658000.
AVERAGE COPPER GRADE	.418
AVERAGE MOLY GRADE	0.000
AVERAGE SILVER GRADE	.076
AVERAGE GOLD GRADE	.002
COPPER RECOVERY	.810
MOLY RECOVERY	0.000
SILVER RECOVERY	.500
GOLD RECOVERY	.500
TOTAL POUNDS COPPER	78911328.
TOTAL POUNDS MOLY	0.
TOTAL OUNCES SILVER	443004.
TOTAL OUNCES GOLD	11658.

METAL PRICE AND REVENUE	
CU REVENUE - .70/LB	55238000.
MO REVENUE - 0.00/LB	0.
AG REVENUE - 3.00/OZ	13290000.
AU REVENUE - 125./OZ	14570000.
GROSS REVENUE	58024000.

PRODUCTION COSTS	
WASTE AT .291 / TON	3612000.
ORE AT .310 / TON	3497000.
CONC AT 1.100 / TON	12824000.
G + A AT .570 / TON	6645000.
OPERATING COST	26578000.
POST CONC - .210/LR	14571000.
DIRECT PRODUCTION	43149000.
DEPRECIATION COST	7800000.
TOTAL PRODUCTION	50949000.
DIRECT PROD / LB CU	.547
TOTAL PROD / LB CU	.646

direct capital cost?
 or 198 \$ 7,300,000?
 no (500,000/yr)

MV502 FINANCIAL ANALYSIS - COMPUTING ASSOCIATES, INC., TUCSON, ARIZONA
 ESSEX - SQUARE PEAK PROPERTY FINANCIAL EVALUATION - CASE 1-A - APRIL 1974

CASH FLOW PROJECTION AND FINANCIAL ANALYSIS

YEAR	1975	1976	1977	1978	1979	1980
CAPITAL CASH FLOW						
UNDEPRECIABLE CAPITAL	391000.	278000.	264000.	250000.	0.	0.
DEPRECIABLE CAPITAL	2600000.	4700000.	0.	0.	0.	0.
WORKING CAPITAL	0.	250000.	595000.	0.	0.	0.
TOTAL INVESTMENT	2991000.	5228000.	859000.	250000.	0.	0.
OPERATIONS CASH FLOW						
GROSS REVENUE	0.	0.	5555000.	5555000.	5555000.	5555000.
POST-CONCENTRATOR	0.	0.	1591000.	1591000.	1591000.	1591000.
NET SPLIT RETURN	0.	0.	3964000.	3964000.	3964000.	3964000.
OPERATING COST	150000.	300000.	2429000.	2429000.	2429000.	2429000.
OTHER EXPENSES	100000.	0.	0.	0.	0.	0.
DEPRECIATION COST	0.	0.	1327000.	1086000.	889000.	727000.
GROSS PROFIT	-250000.	-300000.	-208000.	449000.	647000.	808000.
DEPLETION ALLOWANCE	0.	0.	104000.	225000.	323000.	404000.
PREVIOUS STATE TAXES	0.	-100000.	-130000.	227000.	243000.	253000.
SALVAGE VALUE	0.	0.	0.	0.	0.	0.
TAXABLE INCOME	-250000.	-290000.	117000.	-2000.	80000.	151000.
FEDERAL INCOME TAX	-120000.	-139000.	56000.	-1000.	39000.	73000.
STATE SALES TAX	0.	0.	79000.	79000.	79000.	79000.
STATE INCOME TAX	-10000.	-13000.	4000.	18000.	23000.	27000.
STATE PROPERTY TAX	0.	0.	144000.	146000.	151000.	136000.
TOTAL TAXES	-130000.	-152000.	283000.	242000.	291000.	315000.
NET INCOME	-120000.	-148000.	-75000.	207000.	355000.	493000.
OPERATIONS CASH FLOW						
OPERATIONS CASH FLOW	-120000.	-149000.	1252000.	1293000.	1244000.	1220000.
NET CASH FLOW						
NET CASH FLOW	-3111000.	-5376000.	394000.	1043000.	1244000.	1220000.
CUMULATIVE CASH FLOW						
CUMULATIVE CASH FLOW	-3111000.	-8487000.	-8093000.	-7050000.	-5806000.	-4586000.

MV502 FINANCIAL ANALYSIS - COMPUTING ASSOCIATES, INC., TUCSON, ARIZONA
 ESSEX - SQUAW PEAK PROPERTY FINANCIAL EVALUATION - CASE 1-A - APRIL 1974

CASH FLOW PROJECTION AND FINANCIAL ANALYSIS

YEAR	1981	1982	1983	1984	1985	1986
CAPITAL CASH FLOW						
UNDEPRECIABLE CAPITAL	0.	0.	0.	0.	0.	0.
DEPRECIABLE CAPITAL	0.	500000.	0.	0.	0.	0.
WORKING CAPITAL	0.	0.	0.	0.	0.	0.
TOTAL INVESTMENT	0.	500000.	0.	0.	0.	0.
OPERATIONS CASH FLOW						
GROSS REVENUE	555000.	555000.	555000.	555000.	4379000.	4379000.
POST-CONCENTRATED	1591000.	1591000.	1591000.	1591000.	12380000.	12380000.
NET SPLIT RETURN	3964000.	3964000.	3964000.	3964000.	31400000.	31400000.
OPERATING COST	2369000.	2369000.	2339000.	2339000.	2309000.	2279000.
OTHER EXPENSES	0.	0.	0.	0.	0.	0.
DEPRECIATION COST	505000.	653000.	509000.	400000.	316000.	251000.
GROSS PROFIT	1000000.	942000.	1116000.	1225000.	516000.	611000.
DEPLETION ALLOWANCE	500000.	471000.	558000.	595000.	258000.	305000.
PREVIOUS STATE TAXES	242000.	236000.	224000.	202000.	178000.	119000.
SALVAGE VALUE	0.	0.	0.	0.	0.	0.
TAXABLE INCOME	258000.	235000.	334000.	429000.	80000.	187000.
FEDERAL INCOME TAX	124000.	113000.	160000.	206000.	38000.	90000.
STATE SALES TAX	79000.	79000.	79000.	79000.	63000.	63000.
STATE INCOME TAX	30000.	29000.	32000.	34000.	18000.	17000.
STATE PROPERTY TAX	127000.	116000.	91000.	65000.	38000.	30000.
TOTAL TAXES	350000.	337000.	362000.	384000.	157000.	200000.
NET INCOME	641000.	605000.	754000.	841000.	359000.	411000.
OPERATIONS CASH FLOW	1235000.	1259000.	1263000.	1241000.	675000.	662000.
NET CASH FLOW	1235000.	759000.	1263000.	1241000.	675000.	662000.
CUMULATIVE CASH FLOW	-3350000.	-2592000.	-1329000.	-88000.	587000.	1249000.

MV502 FINANCIAL ANALYSTS - COMPUTING ASSOCIATES, INC., TUCSON, ARIZONA
 ESSEX - SQUAW PEAK PROPERTY FINANCIAL EVALUATION - CASE 1-A - APRIL 1974

CASH FLOW PROJECTION AND FINANCIAL ANALYSIS

YEAR	1987	1988
CAPITAL CASH FLOW		
UNDEPRECIABLE CAPITAL	0.	0.
DEPRECIABLE CAPITAL	0.	0.
WORKING CAPITAL	0.	-720000.
TOTAL INVESTMENT	0.	-720000.
OPERATIONS CASH FLOW		
GROSS REVENUE	4370000.	450000.
POST-CONCENTRATER	1238000.	127000.
NET SPLIT RETURN	3140000.	323000.
OPERATING COST	2200000.	213000.
OTHER EXPENSES	0.	0.
DEPRECIATION COST	200000.	847000.
GROSS PROFIT	740000.	-737000.
DEPLETION ALLOWANCE	370000.	0.
PREVIOUS STATE TAXES	110000.	97000.
SALVAGE VALUE	0.	1720000.
TAXABLE INCOME	260000.	886000.
FEDERAL INCOME TAX	125000.	425000.
STATE SALES TAX	63000.	6000.
STATE INCOME TAX	20000.	45000.
STATE PROPERTY TAX	15000.	-3000.
TOTAL TAXES	222000.	474000.
NET INCOME	518000.	509000.
OPERATIONS CASH FLOW	718000.	1356000.
NET CASH FLOW	718000.	2076000.
CUMULATIVE CASH FLOW	1968000.	4043000.

MV502 FINANCIAL ANALYSTS - COMPUTING ASSOCIATES, INC., TUCSON, ARIZONA
 ESSEX - SQUAW PEAK PROPERTY FINANCIAL EVALUATION - CASE 1-A - APRIL 1974

CASH FLOW PROJECTION AND FINANCIAL ANALYSIS

YEAR	TOTAL
CAPITAL CASH FLOW	
UNDEPRECIABLE CAPITAL	1183000.
DEPRECIABLE CAPITAL	7800000.
WORKING CAPITAL	125000.
TOTAL INVESTMENT	9108000.
OPERATIONS CASH FLOW	
GROSS REVENUE	52024000.
POST-CONCENTRATED	14571000.
NET SMIT RETURN	41453000.
OPERATING COST	26578000.
OTHER EXPENSES	100000.
DEPRECIATION COST	7800000.
GROSS PROFIT	6975000.
DEPLETION ALLOWANCE	4113000.
PREVIOUS STATE TAXES	2107000. ⁴
SALVAGE VALUE	1,720,000. ¹
TAXABLE INCOME	2476000.
FEDERAL INCOME TAX	1188000.
STATE SALES TAX	929000.
STATE INCOME TAX	272000.
STATE PROPERTY TAX	1055000.
TOTAL TAXES	3343000.
NET INCOME	5351000.
OPERATIONS CASH FLOW	13151000.
NET CASH FLOW	4043000.
CUMULATIVE CASH FLOW	4043000.
DCF - RATE OF RETURN	.0581

CASE 1-B

WASOZ MINING COMPANY ANALYSIS - COMPUTING ASSOCIATES, INC., TUCSON, ARIZONA
 ESSEX - CUMMINS PROPERTY FINANCIAL EVALUATION - CASE 1-B - APRIL 1974

PRODUCTION STATISTICS, REVENUE, AND COSTS

YEAR	1975	1976	1977	1978	1979	1980
PRODUCTION STATISTICS						
WASTE TONS MINED	500000.	1000000.	1200000.	1200000.	1200000.	1200000.
ORE TONS MINED	0.	0.	1050000.	1050000.	1050000.	1050000.
AVERAGE COPPER GRADE	0.000	0.000	.440	.440	.440	.440
AVERAGE MOLY GRADE	0.000	0.000	0.000	0.000	0.000	0.000
AVERAGE SILVER GRADE	0.000	0.000	.076	.076	.076	.076
AVERAGE GOLD GRADE	0.000	0.000	.002	.002	.002	.002
COPPER RECOVERY	.820	.820	.820	.820	.820	.820
MOLY RECOVERY	0.000	0.000	0.000	0.000	0.000	0.000
SILVER RECOVERY	.500	.500	.500	.500	.500	.500
GOLD RECOVERY	.500	.500	.500	.500	.500	.500
TOTAL POUNDS COPPER	0.	0.	7576800.	7576800.	7576800.	7576800.
TOTAL POUNDS MOLY	0.	0.	0.	0.	0.	0.
TOTAL OUNCES SILVER	0.	0.	39900.	39900.	39900.	39900.
TOTAL OUNCES GOLD	0.	0.	1050.	1050.	1050.	1050.

METAL PRICE AND REVENUE

CU REVENUE - .80/LB	0.	0.	6061000.	6061000.	6061000.	6061000.
MO REVENUE - 2.00/LB	0.	0.	0.	0.	0.	0.
AG REVENUE - 4.00/OZ	0.	0.	160000.	160000.	160000.	160000.
AU REVENUE - 150./OZ	0.	0.	158000.	158000.	158000.	158000.
GROSS REVENUE	0.	0.	6379000.	6379000.	6379000.	6379000.

PRODUCTION COSTS

WASTE AT .300 / TON	150000.	300000.	360000.	360000.	360000.	360000.
ORE AT .300 / TON	0.	0.	315000.	315000.	315000.	315000.
CONC AT 1.100 / TON	0.	0.	1155000.	1155000.	1155000.	1155000.
G * A AT .570 / TON	0.	0.	599000.	599000.	599000.	599000.
OPERATING COST	150000.	300000.	2429000.	2429000.	2429000.	2429000.
POST CONC - .210/LB	0.	0.	1591000.	1591000.	1591000.	1591000.
DIRECT PRODUCTION	150000.	300000.	4020000.	4020000.	4020000.	4020000.
DEPRECIATION COST	0.	0.	1086000.	1086000.	889000.	727000.
TOTAL PRODUCTION	150000.	300000.	5347000.	5106000.	4908000.	4747000.
DIRECT PROD / LB CU	0.000	0.000	.531	.531	.531	.531
TOTAL PROD / LB CU	0.000	0.000	.706	.674	.648	.626

MV502 FINANCIAL ANALYSIS - COMPUTING ASSOCIATES, INC., TUCSON, ARIZONA
 ESSEX - SQUAW PEAK PROPERTY FINANCIAL EVALUATION - CASE 1-R - APRIL 1974

PRODUCTION STATISTICS, REVENUE, AND COSTS

YEAR	1981	1982	1983	1984	1985	1986
WASTE TONS MINED	100000.	100000.	90000.	90000.	80000.	70000.
ORE TONS MINED	105000.	105000.	105000.	105000.	105000.	105000.
AVERAGE COPPER GRADE	.440	.440	.440	.440	.360	.360
AVERAGE MOLY GRADE	0.000	0.000	0.000	0.000	0.000	0.000
AVERAGE SILVER GRADE	.076	.076	.076	.076	.076	.076
AVERAGE GOLD GRADE	.002	.002	.002	.002	.002	.002
COPPER RECOVERY	.820	.820	.820	.820	.780	.780
MOLY RECOVERY	0.000	0.000	0.000	0.000	0.000	0.000
SILVER RECOVERY	.500	.500	.500	.500	.500	.500
GOLD RECOVERY	.500	.500	.500	.500	.500	.500
TOTAL POUNDS COPPER	757690.	757680.	757680.	757680.	589690.	586680.
TOTAL POUNDS MOLY	0.	0.	0.	0.	0.	0.
TOTAL OUNCES SILVER	39900.	39900.	39900.	39900.	39900.	39900.
TOTAL OUNCES GOLD	1050.	1050.	1050.	1050.	1050.	1050.

METAL PRICE AND REVENUE

CU REVENUE - .80/LB	606100.	606100.	606100.	606100.	471700.	471700.
MO REVENUE - 2.00/LB	0.	0.	0.	0.	0.	0.
AG REVENUE - 4.00/OZ	160000.	160000.	160000.	160000.	160000.	160000.
AU REVENUE - 160.00/OZ	158000.	158000.	158000.	158000.	158000.	158000.
GROSS REVENUE	637900.	637900.	637900.	637900.	503500.	503500.

PRODUCTION COSTS

WASTE AT .300 / TON	30000.	30000.	27000.	27000.	24000.	21000.
ORE AT .300 / TON	31500.	31500.	31500.	31500.	31500.	31500.
CONC AT 1.100 / TON	115500.	115500.	115500.	115500.	115500.	115500.
G + A AT .570 / TON	59000.	59000.	59000.	59000.	59000.	59000.
OPERATING COST	236900.	236900.	233900.	233900.	230900.	227900.
POST CONC - .210/LB	159100.	159100.	159100.	159100.	123800.	123800.
DIRECT PRODUCTN	396000.	396000.	393000.	393000.	356700.	351700.
DEPRECIATION COST	59500.	65300.	50900.	40000.	31600.	25100.
TOTAL PRODUCTION	455400.	461300.	443900.	432900.	396300.	376800.
DIRECT PROD / LB CU	.523	.523	.519	.519	.601	.596
TOTAL PROD / LB CU	.601	.609	.586	.571	.655	.639

MV502 FINANCIAL ANALYSIS - COMPUTING ASSOCIATES, INC., TUCSON, ARIZONA
 ESSEX - SQUAW PEAK PROPERTY FINANCIAL EVALUATION - CASE 1-R - APRIL 1974

PRODUCTION STATISTICS, REVENUE, AND COSTS

YEAR	1987	1988
PRODUCTION STATISTICS		
WASTE TONS MINED	439000.	0.
ORE TONS MINED	1050000.	108000.
AVERAGE COPPER GRADE	.360	.360
AVERAGE MOLY GRADE	0.000	0.000
AVERAGE SILVER GRADE	.076	.076
AVERAGE GOLD GRADE	.002	.002
COPPER RECOVERY	.780	.780
MOLY RECOVERY	0.000	0.000
SILVER RECOVERY	.500	.500
GOLD RECOVERY	.500	.500
TOTAL POUNDS COPPER	5896800.	606528.
TOTAL POUNDS MOLY	0.	0.
TOTAL OUNCES SILVER	39900.	4104.
TOTAL OUNCES GOLD	1050.	108.
METAL PRICE AND REVENUE		
CU REVENUE - .80/LR	4717000.	485000.
MO REVENUE - 2.00/LR	0.	0.
AG REVENUE - 4.00/OZ	150000.	16000.
AU REVENUE - 150./OZ	158000.	16000.
GROSS REVENUE	5035000.	518000.
PRODUCTION COSTS		
WASTE AT .300 / TON	132000.	0.
ORE AT .300 / TON	315000.	32000.
CONC AT 1.100 / TON	1155000.	119000.
G + A AT .570 / TON	599000.	62000.
OPERATING COST	2200000.	213000.
POST CONC - .210/LR	1238000.	127000.
DIRECT PRODUCTION	3439000.	340000.
DEPRECIATION COST	200000.	847000.
TOTAL PRODUCTION	3639000.	1187000.
DIRECT PROD / LR CU	.583	.561
TOTAL PROD / LR CU	.617	1.957

MV502 FINANCIAL ANALYSTS - COMPUTING ASSOCIATES, INC., TUCSON, ARIZONA
 ESSEX - SQUAW PEAK PROPERTY FINANCIAL EVALUATION - CASE 1-R - APRIL 1974

PRODUCTION STATISTICS, REVENUE, AND COSTS

YEAR	TOTAL
PRODUCTION STATISTICS	
WASTE TONS MINED	12039000.
ORE TONS MINED	11658000.
AVERAGE COPPER GRADE	.418
AVERAGE MOLY GRADE	0.000
AVERAGE SILVER GRADE	.076
AVERAGE GOLD GRADE	.002
COPPER RECOVERY	.810
MOLY RECOVERY	0.000
SILVER RECOVERY	.500
GOLD RECOVERY	.500
TOTAL POUNDS COPPER	78911328.
TOTAL POUNDS MOLY	0.
TOTAL OUNCES SILVER	443004.
TOTAL OUNCES GOLD	11658.

METAL PRICE AND REVENUE	
CU REVENUE - .80/LB	63129000.
MO REVENUE - 0.00/LB	0.
AG REVENUE - 4.00/OZ	1772000.
AU REVENUE - 150.00/OZ	1749000.
GROSS REVENUE	66650000.

PRODUCTION COSTS	
WASTE AT .291 / TON	3612000.
ORE AT .310 / TON	3497000.
CONC AT 1.100 / TON	12824000.
G + A AT .570 / TON	6645000.
OPERATING COST	26578000.
POST CONC - .210/LB	16571000.
DIRECT PRODUCTIN	43149000.
DEPRECIATION COST	7800000.
TOTAL PRODUCTION	50049000.
DIRECT PROD / LB CU	.547
TOTAL PROD / LB CU	.646

MV502 FINANCIAL ANALYSIS - COMPUTING ASSOCIATES, INC., TUCSON, ARIZONA
 ESSEX - SQUAW PEAK PROPERTY FINANCIAL EVALUATION - CASE 1-B - APRIL 1974

CASH FLOW PROJECTION AND FINANCIAL ANALYSIS

YEAR	1975	1976	1977	1978	1979	1980
CAPITAL CASH FLOW						
UNDEPRECIABLE CAPITL	341000.	278000.	264000.	250000.	0.	0.
DEPRECIABLE CAPITAL	2600000.	4700000.	0.	0.	0.	0.
WORKING CAPITAL	0.	250000.	718000.	0.	0.	0.
TOTAL INVESTMENT	2991000.	5228000.	982000.	250000.	0.	0.
OPERATIONS CASH FLOW						
GROSS REVENUE	0.	0.	6379000.	6379000.	6379000.	6379000.
POST-CONCENTRATOR	0.	0.	1591000.	1591000.	1591000.	1591000.
NET SPLIT RETURN	0.	0.	4787000.	4787000.	4787000.	4787000.
OPERATING COST	150000.	300000.	2429000.	2429000.	2429000.	2429000.
OTHER EXPENSES	100000.	0.	0.	0.	0.	0.
DEPRECIATION COST	0.	0.	1327000.	1086000.	989000.	727000.
GROSS PROFIT	-250000.	-300000.	1032000.	1273000.	1470000.	1632000.
DEPLETION ALLOWANCE	0.	0.	514000.	634000.	718000.	718000.
PREVIOUS STATE TAXES	0.	-10000.	-13000.	311000.	233000.	349000.
SALVAGE VALUE	0.	0.	0.	0.	0.	0.
TAXABLE INCOME	-250000.	-290000.	529000.	325000.	419000.	565000.
FEDERAL INCOME TAX	-120000.	-139000.	254000.	156000.	201000.	271000.
STATE SALES TAX	0.	0.	96000.	96000.	96000.	96000.
STATE INCOME TAX	-100000.	-130000.	21000.	38000.	44000.	51000.
STATE PROPERTY TAX	0.	0.	195000.	199000.	209000.	193000.
TOTAL TAXES	-130000.	-152000.	565000.	489000.	550000.	612000.
NET INCOME	-120000.	-148000.	467000.	784000.	920000.	1020000.
OPERATIONS CASH FLOW	-120000.	-148000.	1794000.	1870000.	1809000.	1747000.
NET CASH FLOW	-3111000.	-5376000.	812000.	1620000.	1809000.	1747000.
CUMULATIVE CASH FLOW	-3111000.	-8487000.	-7675000.	-6055000.	-4247000.	-2499000.

MV502 FINANCIAL ANALYSIS - COMPUTING ASSOCIATES, INC., TUCSON, ARIZONA
 ESSEX - SQUAW PEAK PROPERTY FINANCIAL EVALUATION - CASE I-R - APRIL 1974

CASH FLOW PROJECTION AND FINANCIAL ANALYSIS

YEAR	1981	1982	1983	1984	1985	1986
CAPITAL CASH FLOW						
UNDEPRECIABLE CAPITAL	0.	0.	0.	0.	0.	0.
DEPRECIABLE CAPITAL	0.	500000.	0.	0.	0.	0.
WORKING CAPITAL	0.	0.	0.	0.	0.	0.
TOTAL INVESTMENT	0.	500000.	0.	0.	0.	0.
OPERATIONS CASH FLOW						
GROSS REVENUE	6379000.	6379000.	6379000.	6379000.	5035000.	5035000.
POST-CONCENTRATOR	1591000.	1591000.	1591000.	1591000.	1238000.	1238000.
NET SPLIT RETURN	4787000.	4787000.	4787000.	4787000.	3796000.	3796000.
OPERATING COST	2369000.	2369000.	2339000.	2339000.	2300000.	2279000.
OTHER EXPENSES	0.	0.	0.	0.	0.	0.
DEPRECIATION COST	595000.	653000.	509000.	400000.	316000.	251000.
GROSS PROFIT	1824000.	1766000.	1940000.	2049000.	1172000.	1267000.
DEPLETION ALLOWANCE	718000.	718000.	718000.	718000.	569000.	569000.
PREVIOUS STATE TAXES	340000.	336000.	321000.	291000.	259000.	172000.
SALVAGE VALUE	0.	0.	0.	0.	0.	0.
TAXABLE INCOME	756000.	711000.	901000.	1040000.	343000.	526000.
FEDERAL INCOME TAX	357000.	341000.	432000.	499000.	165000.	252000.
STATE SALES TAX	96000.	96000.	96000.	95000.	76000.	76000.
STATE INCOME TAX	54000.	56000.	63000.	67000.	35000.	36000.
STATE PROPERTY TAX	191000.	169000.	132000.	97000.	61000.	47000.
TOTAL TAXES	704000.	662000.	723000.	758000.	336000.	411000.
NET INCOME	1121000.	1103000.	1216000.	1291000.	835000.	856000.
OPERATIONS CASH FLOW	1715000.	1757000.	1726000.	1691000.	1151000.	1107000.
NET CASH FLOW	1715000.	1257000.	1726000.	1691000.	1151000.	1107000.
CUMULATIVE CASH FLOW	-784000.	472000.	2198000.	3889000.	5040000.	6147000.

MV502 FINANCIAL ANALYSIS - COMPUTING ASSOCIATES, INC., TUCSON, ARIZONA
 ESSEX - SOLAR PEAK PROPERTY FINANCIAL EVALUATION - CASE 1-R - APRIL 1974

CASH FLOW PROJECTION AND FINANCIAL ANALYSIS

YEAR	1987	1988
CAPITAL CASH FLOW		
UNDEPRECIABLE CAPITAL	0.	0.
DEPRECIABLE CAPITAL	0.	0.
WORKING CAPITAL	0.	-843000.
TOTAL INVESTMENT	0.	-843000.
OPERATIONS CASH FLOW		
GROSS REVENUE	5035000.	518000.
POST-CONCENTRATOR	1238000.	127000.
NET SALT RETURN	3796000.	390000.
OPERATING COST	2200000.	213000.
OTHER EXPENSES	0.	0.
DEPRECIATION COST	200000.	847000.
GROSS PROFIT	1396000.	-669000.
DEPLETION ALLOWANCE	569000.	0.
PREVIOUS STATE TAXES	158000.	137000.
SALVAGE VALUE	0.	1720000.
TAXABLE INCOME	669000.	913000.
FEDERAL INCOME TAX	321000.	438000.
STATE SALES TAX	76000.	8000.
STATE INCOME TAX	40000.	49000.
STATE PROPERTY TAX	21000.	-6000.
TOTAL TAXES	458000.	489000.
NET INCOME	938000.	562000.
OPERATIONS CASH FLOW	1138000.	1409000.
NET CASH FLOW	1138000.	2252000.
CUMULATIVE CASH FLOW	7285000.	9537000.

MV502 FINANCIAL ANALYSIS - COMPUTING ASSOCIATES, INC., TUCSON, ARIZONA
 ESSEX - SQUAW PEAK PROPERTY FINANCIAL EVALUATION - CASE 1-B - APRIL 1974

CASH FLOW PROJECTION AND FINANCIAL ANALYSIS

YEAR	TOTAL
CAPITAL CASH FLOW	
UNDEPRECIABLE CAPITAL	1183000.
DEPRECIABLE CAPITAL	7800000.
WORKING CAPITAL	125000.
TOTAL INVESTMENT	9108000.
OPERATIONS CASH FLOW	
GROSS REVENUE	66650000.
POST-CONCENTRATOR	16971000.
NET SPLIT RETURN	50078000.
OPERATING COST	26978000.
OTHER EXPENSES	100000.
DEPRECIATION COST	7800000.
GROSS PROFIT	15600000.
DEPLETION ALLOWANCE	7163000.
PREVIOUS STATE TAXES	2006000.
SALVAGE VALUE	1720000.
TAXABLE INCOME	7165000.
FEDERAL INCOME TAX	3430000.
STATE SALES TAX	1002000.
STATE INCOME TAX	537000.
STATE PROPERTY TAX	1498000.
TOTAL TAXES	6476000.
NET INCOME	10845000.
OPERATIONS CASH FLOW	18645000.
NET CASH FLOW	9537000.
CUMULATIVE CASH FLOW	9537000.
DCF - RATE OF RETURN	.1267

CASE 2-A

MV502 FINANCIAL ANALYSIS - COMPUTING ASSOCIATES, INC., TUCSON, ARIZONA
 ESSEX - SQUAW BEAR PROPERTY FINANCIAL EVALUATION - CASE 2-A - APRIL 1974

PRODUCTION STATISTICS, REVENUE, AND COSTS

YEAR	1975	1976	1977	1978	1979	1980
PRODUCTION STATISTICS						
WASTE TONS MINED	500000.	1000000.	1200000.	1200000.	1200000.	1200000.
ORE TONS MINED	0.	0.	1050000.	1050000.	1050000.	1050000.
AVERAGE COPPER GRADE	0.000	0.000	.440	.440	.440	.440
AVERAGE MOLY GRADE	0.000	0.000	0.000	0.000	0.000	0.000
AVERAGE SILVER GRADE	0.000	0.000	.076	.076	.076	.076
AVERAGE GOLD GRADE	0.000	0.000	.002	.002	.002	.002
COPPER RECOVERY	.820	.820	.820	.820	.820	.820
MOLY RECOVERY	0.000	0.000	0.000	0.000	0.000	0.000
SILVER RECOVERY	.500	.500	.500	.500	.500	.500
GOLD RECOVERY	.500	.500	.500	.500	.500	.500
TOTAL POUNDS COPPER	0.	0.	7576800.	7576800.	7576800.	7576800.
TOTAL POUNDS MOLY	0.	0.	0.	0.	0.	0.
TOTAL OUNCES SILVER	0.	0.	39900.	39900.	39900.	39900.
TOTAL OUNCES GOLD	0.	0.	1050.	1050.	1050.	1050.

METAL PRICE AND REVENUE

CU REVENUE - .70/LB	0.	0.	5304000.	5304000.	5304000.	5304000.
MO REVENUE - 2.00/LB	0.	0.	0.	0.	0.	0.
AG REVENUE - 3.00/OZ	0.	0.	120000.	120000.	120000.	120000.
AU REVENUE - 125./OZ	0.	0.	131000.	131000.	131000.	131000.
GROSS REVENUE	0.	0.	5555000.	5555000.	5555000.	5555000.

PRODUCTION COSTS

WASTE AT .300 / TON	150000.	300000.	360000.	360000.	360000.	360000.
ORE AT .300 / TON	0.	0.	315000.	315000.	315000.	315000.
CONC AT 1.100 / TON	0.	0.	1155000.	1155000.	1155000.	1155000.
G + A AT .570 / TON	0.	0.	599000.	599000.	599000.	599000.
OPERATING COST	150000.	300000.	2429000.	2429000.	2429000.	2429000.
POST CONC - .210/LB	0.	0.	1591000.	1591000.	1591000.	1591000.
DIRECT PRODUCTION	150000.	300000.	4020000.	4020000.	4020000.	4020000.
DEPRECIATION COST	0.	0.	1346000.	1346000.	1102000.	901000.
TOTAL PRODUCTION	150000.	300000.	5366000.	5366000.	5121000.	4921000.
DIRECT PROD / LB CU	0.000	0.000	.531	.531	.531	.531
TOTAL PROD / LB CU	0.000	0.000	.748	.708	.678	.649

MVS02 FINANCIAL ANALYSIS - COMPUTING ASSOCIATES, INC., TUCSON, ARIZONA
 ESSEX - SQUAW PEAK PROPERTY FINANCIAL EVALUATION - CASE 2-A - APRIL 1974

PRODUCTION STATISTICS, REVENUE, AND COSTS

YEAR	1981	1982	1983	1984	1985	1986
WASTE TONS MINED	1000000.	1000000.	900000.	900000.	800000.	700000.
ORE TONS MINED	1050000.	1050000.	1050000.	1050000.	1050000.	1050000.
AVERAGE COPPER GRADE	.440	.440	.440	.440	.360	.360
AVERAGE MOLY GRADE	0.000	0.000	0.000	0.000	0.000	0.000
AVERAGE SILVER GRADE	.076	.076	.076	.076	.076	.076
AVERAGE GOLD GRADE	.002	.002	.002	.002	.002	.002
COPPER RECOVERY	.820	.820	.820	.820	.780	.780
MOLY RECOVERY	0.000	0.000	0.000	0.000	0.000	0.000
SILVER RECOVERY	.500	.500	.500	.500	.500	.500
GOLD RECOVERY	.500	.500	.500	.500	.500	.500
TOTAL POUNDS COPPER	7576800.	7576800.	7576800.	7576800.	5996800.	5996800.
TOTAL POUNDS MOLY	0.	0.	0.	0.	0.	0.
TOTAL OUNCES SILVER	39900.	39900.	39900.	39900.	39900.	39900.
TOTAL OUNCES GOLD	1050.	1050.	1050.	1050.	1050.	1050.

METAL PRICE AND REVENUE

CU REVENUE - .70/LB	5304000.	5304000.	5304000.	5304000.	4128000.	4128000.
MO REVENUE - 2.00/LB	0.	0.	0.	0.	0.	0.
AG REVENUE - 3.00/OZ	120000.	120000.	120000.	120000.	120000.	120000.
AU REVENUE - 125.00/OZ	131000.	131000.	131000.	131000.	131000.	131000.
GROSS REVENUE	5555000.	5555000.	5555000.	5555000.	4379000.	4379000.

PRODUCTION COSTS

WASTE AT .300 / TON	300000.	300000.	270000.	270000.	240000.	210000.
ORE AT .300 / TON	315000.	315000.	315000.	315000.	315000.	315000.
CONC AT 1.100 / TON	1155000.	1155000.	1155000.	1155000.	1155000.	1155000.
G + A AT .570 / TON	599000.	599000.	599000.	599000.	599000.	599000.
OPERATING COST	2369000.	2369000.	2369000.	2369000.	2309000.	2270000.
POST CONC - .210/LB	1591000.	1591000.	1591000.	1591000.	1278000.	1278000.
DIRECT PRODUCTION	3960000.	3960000.	3930000.	3930000.	3547000.	3517000.
DEPRECIATION COST	737000.	770000.	478000.	478000.	380000.	303000.
TOTAL PRODUCTION	4697000.	4730000.	4534000.	4408000.	3927000.	3820000.
DIRECT PROD / LB CU	.523	.523	.519	.519	.601	.596
TOTAL PROD / LB CU	.624	.624	.598	.582	.666	.648

MV502 FINANCIAL ANALYSIS - COMPUTING ASSOCIATES, INC., TUCSON, ARIZONA
 ESSEX - SQUAW PEAK PROPERTY FINANCIAL EVALUATION - CASE 2-A - APRIL 1974

PRODUCTION STATISTICS, REVENUE, AND COSTS

YEAR	1987	1988
PRODUCTION STATISTICS		
WASTE TONS MINED	439000.	0.
ORE TONS MINED	1050000.	108000.
AVERAGE COPPER GRADE	.360	.360
AVERAGE MOLY GRADE	0.000	0.000
AVERAGE SILVER GRADE	.076	.076
AVERAGE GOLD GRADE	.002	.002
COPPER RECOVERY	.780	.780
MOLY RECOVERY	0.000	0.000
SILVER RECOVERY	.500	.500
GOLD RECOVERY	.500	.500
TOTAL POUNDS COPPER	5896800.	606528.
TOTAL POUNDS MOLY	0.	0.
TOTAL OUNCES SILVER	39900.	4104.
TOTAL OUNCES GOLD	1050.	108.

METAL PRICE AND REVENUE

CU REVENUE - .70/LB	4128000.	425000.
MO REVENUE - 2.00/LB	0.	0.
AG REVENUE - 3.00/OZ	120000.	12000.
AU REVENUE - 125./OZ	131000.	14000.
GROSS REVENUE	4379000.	450000.

PRODUCTION COSTS

WASTE AT .300 / TON	132000.	0.
ORE AT .300 / TON	315000.	32000.
CONC AT 1.100 / TON	1155000.	119000.
G + A AT .570 / TON	599000.	62000.
OPERATING COST	2200000.	213000.
POST CONC - .210/LR	1238000.	127000.
DIRECT PRODUCTN	3439000.	340000.
DEPRECIATION COST	243000.	1039000.
TOTAL PRODUCTION	3682000.	1379000.
DIRECT PROD / LB CU	.583	.561
TOTAL PROD / LB CU	.624	2.274

MV502 FINANCIAL ANALYSIS - COMPUTING ASSOCIATES, INC., TUCSON, ARIZONA
 ESSEX - SQUAW PEAK PROPERTY FINANCIAL EVALUATION - CASE 2-A - APRIL 1974

PRODUCTION STATISTICS, REVENUE, AND COSTS

YEAR	TOTAL
PRODUCTION STATISTICS	
WASTE TONS MINED	12039000.
ORE TONS MINED	11658000.
AVERAGE COPPER GRADE	.418
AVERAGE MOLY GRADE	0.000
AVERAGE SILVER GRADE	.076
AVERAGE GOLD GRADE	.002
COPPER RECOVERY	.810
MOLY RECOVERY	0.000
SILVER RECOVERY	.500
GOLD RECOVERY	.500
TOTAL POUNDS COPPER	78911328.
TOTAL POUNDS MOLY	0.
TOTAL OUNCES SILVER	443004.
TOTAL OUNCES GOLD	11658.

METAL PRICE AND REVENUE

CU REVENUE - .70/LB	55238000.
MO REVENUE - 0.00/LB	0.
AG REVENUE - 3.00/OZ	13290000.
AU REVENUE - 125./OZ	1457000.
GROSS REVENUE	58024000.

PRODUCTION COSTS

WASTE AT .291 / TON	3512000.
ORE AT .210 / TON	2407000.
CONC AT 1.100 / TON	12824000.
G + A AT .570 / TON	6645000.
OPERATING COST	26578000.
POST CONC - .210/LB	16571000.
DIRECT PRODUCTION	43149000.
DEPRECIATION COST	9550000.
TOTAL PRODUCTION	52609000.
DIRECT PROD / LB CU	.547
TOTAL PROD / LB CU	.668

MV502 FINANCIAL ANALYSIS - COMPUTING ASSOCIATES, INC., TUCSON, ARIZONA
 ESSEX - SUDAW PEAK PROPERTY FINANCIAL EVALUATION - CASE 2-A - APRIL 1974

CASH FLOW PROJECTION AND FINANCIAL ANALYSIS

YEAR	1975	1976	1977	1978	1979	1980
CAPITAL CASH FLOW						
UNDEPRECIABLE CAPITAL	391000.	278000.	264000.	250000.	0.	0.
DEPRECIABLE CAPITAL	3100000.	5950000.	0.	0.	0.	0.
WORKING CAPITAL	0.	300000.	595000.	0.	0.	0.
TOTAL INVESTMENT	3491000.	6528000.	859000.	250000.	0.	0.
OPERATIONS CASH FLOW						
GROSS REVENUE	0.	0.	5555000.	5555000.	5555000.	5555000.
POST-CONCENTRATE	0.	0.	1591000.	1591000.	1591000.	1591000.
NET SMT RETURN	0.	0.	3964000.	3964000.	3964000.	3964000.
OPERATING COST	150000.	300000.	2429000.	2429000.	2429000.	2429000.
OTHER EXPENSES	100000.	0.	0.	0.	0.	0.
DEPRECIATION COST	0.	0.	1645000.	1346000.	1102000.	901000.
GROSS PROFIT	-250000.	-300000.	-110000.	189000.	434000.	634000.
DEPLETION ALLOWANCE	0.	0.	0.	94000.	217000.	317000.
PREVIOUS STATE TAXES	0.	-100000.	-130000.	224000.	244000.	253000.
SALVAGE VALUE	0.	0.	0.	0.	0.	0.
TAXABLE INCOME	-250000.	-290000.	-97000.	-129000.	-27000.	64000.
FEDERAL INCOME TAX	-120000.	-139000.	-47000.	-62000.	-13000.	31000.
STATE SALES TAX	0.	0.	79000.	79000.	79000.	79000.
STATE INCOME TAX	-10000.	-13000.	-5000.	13000.	18000.	23000.
STATE PROPERTY TAX	0.	0.	149000.	152000.	155000.	141000.
TOTAL TAXES	-130000.	-152000.	177000.	182000.	240000.	273000.
NET INCOME	-120000.	-149000.	-287000.	7000.	194000.	360000.
OPERATIONS CASH FLOW						
NET CASH FLOW	-2611000.	-6676000.	500000.	1103000.	1295000.	1262000.
CUMULATIVE CASH FLOW	-2611000.	-10287000.	-9787000.	-8684000.	-7389000.	-6127000.

MV502 FINANCIAL ANALYSIS - COMPUTING ASSOCIATES, INC., TUCSON, ARIZONA
 ESSEX - SQUAW PEAK PROPERTY FINANCIAL EVALUATION - CASE 2-A - APRIL 1974

CASH FLOW PROJECTION AND FINANCIAL ANALYSIS

YEAR	1981	1982	1983	1984	1985	1986
CAPITAL CASH FLOW						
UNDEPRECIABLE CAPITAL	0.	0.	0.	0.	0.	0.
DEPRECIABLE CAPITAL	0.	500000.	0.	0.	0.	0.
WORKING CAPITAL	0.	0.	0.	0.	0.	0.
TOTAL INVESTMENT	0.	500000.	0.	0.	0.	0.
OPERATIONS CASH FLOW						
GROSS REVENUE	5555000.	5555000.	5555000.	5555000.	4379000.	4379000.
POST-CONCENTRATOR	1591000.	1591000.	1591000.	1591000.	1238000.	1238000.
NET SMT RETURN	3964000.	3964000.	3964000.	3964000.	3160000.	3140000.
OPERATING COST	2369000.	2369000.	2339000.	2339000.	2390000.	2279000.
OTHER EXPENSES	0.	0.	0.	0.	0.	0.
DEPRECIATION COST	737000.	770000.	605000.	478000.	380000.	303000.
GROSS PROFIT	858000.	925000.	1020000.	1147000.	452000.	550000.
DEPLETION ALLOWANCE	429000.	413000.	510000.	574000.	226000.	279000.
PREVIOUS STATE TAXES	243000.	236000.	224000.	202000.	178000.	119000.
SALVAGE VALUE	0.	0.	0.	0.	0.	0.
TAXABLE INCOME	186000.	176000.	286000.	371000.	48000.	161000.
FEDERAL INCOME TAX	39000.	85000.	137000.	178000.	23000.	77000.
STATE SALES TAX	79000.	79000.	79000.	79000.	63000.	63000.
STATE INCOME TAX	27000.	26000.	30000.	32000.	16000.	16000.
STATE PROPERTY TAX	130000.	119000.	93000.	67000.	40000.	31000.
TOTAL TAXES	326000.	309000.	340000.	356000.	142000.	187000.
NET INCOME	532000.	516000.	681000.	791000.	310000.	372000.
OPERATIONS CASH FLOW	1269000.	1286000.	1285000.	1269000.	690000.	675000.
NET CASH FLOW	1269000.	786000.	1285000.	1269000.	690000.	675000.
CUMULATIVE CASH FLOW	-4858000.	-4072000.	-2786000.	-1517000.	-827000.	-152000.

MV502 FINANCIAL ANALYSIS - COMPUTING ASSOCIATES, INC., TUCSON, ARIZONA
 ESSEX - SQUAW PEAK PROPERTY FINANCIAL EVALUATION - CASE 2-A - APRIL 1974

CASH FLOW PROJECTION AND FINANCIAL ANALYSIS

YEAR	1987	1988
CAPITAL CASH FLOW		
UNDEPRECIABLE CAPITAL	0.	0.
DEPRECIABLE CAPITAL	0.	0.
WORKING CAPITAL	0.	-745000.
TOTAL INVESTMENT	0.	-745000.
OPERATIONS CASH FLOW		
GROSS REVENUE	4379000.	450000.
POST-CONCENTRATER	1238000.	127000.
NET SMT RETURN	3140000.	323000.
OPERATING COST	2200000.	213000.
OTHER EXPENSES	0.	0.
DEPRECIATION COST	243000.	1039000.
GROSS PROFIT	697000.	-929000.
DEPLETION ALLOWANCE	349000.	0.
PREVIOUS STATE TAXES	110000.	97000.
SALVAGE VALUE	0.	2060000.
TAXABLE INCOME	239000.	1034000.
FEDERAL INCOME TAX	115000.	496000.
STATE SALES TAX	63000.	6000.
STATE INCOME TAX	19000.	51000.
STATE PROPERTY TAX	15000.	-2000.
TOTAL TAXES	211000.	551000.
NET INCOME	486000.	580000.
OPERATIONS CASH FLOW	729000.	1619000.
NET CASH FLOW	729000.	2363000.
CUMULATIVE CASH FLOW	577000.	2940000.

MV502 FINANCIAL ANALYSIS - COMPUTING ASSOCIATES, INC., TUCSON, ARIZONA
 ESSEX - SQUAW PEAK PROPERTY FINANCIAL EVALUATION - CASE 2-A - APRIL 1974

CASH FLOW PROJECTION AND FINANCIAL ANALYSIS

YEAR	TOTAL
CAPITAL CASH FLOW	
UNDEPRECIABLE CAPITAL	1183000.
DEPRECIABLE CAPITAL	8550000.
WORKING CAPITAL	1500000.
TOTAL INVESTMENT	10983000.
OPERATIONS CASH FLOW	
GROSS REVENUE	58024000.
POST-CONCENTRATER	14571000.
NET SMT RETURN	41453000.
OPERATING COST	26578000.
OTHER EXPENSES	100000.
DEPRECIATION COST	9550000.
GROSS PROFIT	5225000.
DEPLETION ALLOWANCE	3407000.
PREVIOUS STATE TAXES	2106000.
SALVAGE VALUE	2060000.
TAXABLE INCOME	1772000.
FEDERAL INCOME TAX	850000.
STATE SALES TAX	820000.
STATE INCOME TAX	242000.
STATE PROPERTY TAX	1090000.
TOTAL TAXES	3011000.
NET INCOME	4273000.
OPERATIONS CASH FLOW	13823000.
NET CASH FLOW	2940000.
CUMULATIVE CASH FLOW	2040000.
DCF - RATE OF RETURN	.0365

CASE 2-8

MV502 FINANCIAL ANALYSIS - COMBINING ASSOCIATES, INC., TUCSON, ARIZONA
 ESSEX - SOURCE OF PROPERTY FINANCIAL EVALUATION - CASE 2-R - APRIL 1974

PRODUCTION STATISTICS, REVENUE, AND COSTS

YEAR	1975	1976	1977	1978	1979	1980
PRODUCTION STATISTICS						
WASTE TONS MINED	500000.	1000000.	1200000.	1200000.	1200000.	1200000.
ORE TONS MINED	0.	0.	1050000.	1050000.	1050000.	1050000.
AVERAGE COPPER GRADE	0.000	0.000	.440	.440	.440	.440
AVERAGE MOLY GRADE	0.000	0.000	0.000	0.000	0.000	0.000
AVERAGE SILVER GRADE	0.000	0.000	.076	.076	.076	.076
AVERAGE GOLD GRADE	0.000	0.000	.002	.002	.002	.002
COPPER RECOVERY	.820	.820	.820	.820	.820	.820
MOLY RECOVERY	0.000	0.000	0.000	0.000	0.000	0.000
SILVER RECOVERY	.500	.500	.500	.500	.500	.500
GOLD RECOVERY	.500	.500	.500	.500	.500	.500
TOTAL POUNDS COPPER	0.	0.	7576800.	7576800.	7576800.	7576800.
TOTAL POUNDS MOLY	0.	0.	0.	0.	0.	0.
TOTAL OUNCES SILVER	0.	0.	39900.	39900.	39900.	39900.
TOTAL OUNCES GOLD	0.	0.	1050.	1050.	1050.	1050.

METAL PRICE AND REVENUE

CU REVENUE - .80/LB	0.	0.	6061000.	6061000.	6061000.	6061000.
MO REVENUE - 2.00/LB	0.	0.	0.	0.	0.	0.
AG REVENUE - 4.00/OZ	0.	0.	160000.	160000.	160000.	160000.
AU REVENUE - 150./OZ	0.	0.	158000.	158000.	158000.	158000.
GROSS REVENUE	0.	0.	6379000.	6379000.	6379000.	6379000.

PRODUCTION COSTS

WASTE AT .300 / TON	150000.	300000.	360000.	360000.	360000.	360000.
ORE AT .300 / TON	0.	0.	315000.	315000.	315000.	315000.
CONC AT 1.100 / TON	0.	0.	1155000.	1155000.	1155000.	1155000.
G + A AT .570 / TON	0.	0.	599000.	599000.	599000.	599000.
OPERATING COST	150000.	300000.	2429000.	2429000.	2429000.	2429000.
POST CONC - .210/LB	0.	0.	1591000.	1591000.	1591000.	1591000.
DIRECT PRODUCTION	150000.	300000.	4020000.	4020000.	4020000.	4020000.
DEPRECIATION COST	0.	0.	1346000.	1346000.	1102000.	901000.
TOTAL PRODUCTION	150000.	300000.	5665000.	5366000.	5121000.	4921000.
DIRECT PROD / LB CU	0.000	0.000	.531	.531	.531	.531
TOTAL PROD / LB CU	0.000	0.000	.748	.708	.676	.649

MV502 FINANCIAL ANALYSIS - COMPUTING ASSOCIATES, INC., TUCSON, ARIZONA
 ESSEX - SQUARE PEAK PROPERTY FINANCIAL EVALUATION - CASE 2-R - APRIL 1974

PRODUCTION STATISTICS, REVENUE, AND COSTS

YEAR	1981	1982	1983	1984	1985	1986
PRODUCTION STATISTICS						
WASTE TONS MINED	100000.	100000.	900000.	900000.	800000.	700000.
ORE TONS MINED	1050000.	1050000.	1050000.	1050000.	1050000.	1050000.
AVERAGE COPPER GRADE	.440	.440	.440	.440	.360	.360
AVERAGE MOLY GRADE	0.000	0.000	0.000	0.000	0.000	0.000
AVERAGE SILVER GRADE	.076	.076	.076	.076	.076	.076
AVERAGE GOLD GRADE	.002	.002	.002	.002	.002	.002
COPPER RECOVERY	.820	.820	.820	.820	.780	.780
MOLY RECOVERY	0.000	0.000	0.000	0.000	0.000	0.000
SILVER RECOVERY	.500	.500	.500	.500	.500	.500
GOLD RECOVERY	.500	.500	.500	.500	.500	.500
TOTAL POUNDS COPPER	7576800.	7576800.	7576800.	7576800.	5896800.	5896800.
TOTAL POUNDS MOLY	0.	0.	0.	0.	0.	0.
TOTAL OUNCES SILVER	30900.	39900.	39900.	39900.	39900.	39900.
TOTAL OUNCES GOLD	1050.	1050.	1050.	1050.	1050.	1050.

METAL PRICE AND REVENUE

CU REVENUE - .80/LR	6061000.	6061000.	6061000.	6061000.	4717000.	4717000.
MO REVENUE - 2.00/LH	0.	0.	0.	0.	0.	0.
AG REVENUE - 4.00/OZ	160000.	160000.	160000.	160000.	160000.	160000.
AU REVENUE - 150./OZ	158000.	158000.	158000.	158000.	158000.	158000.
GROSS REVENUE	6379000.	6379000.	6379000.	6379000.	5035000.	5035000.

PRODUCTION COSTS

WASTE AT .300 / TON	300000.	300000.	270000.	270000.	240000.	210000.
ORE AT .300 / TON	315000.	315000.	315000.	315000.	315000.	315000.
CONC AT 1.100 / TON	1155000.	1155000.	1155000.	1155000.	1155000.	1155000.
G + A AT .570 / TON	599000.	599000.	599000.	599000.	599000.	599000.
OPERATING COST	2369000.	2369000.	2339000.	2339000.	2309000.	2270000.
POST CONC - .210/LR	1591000.	1591000.	1591000.	1591000.	1238000.	1238000.
DIRECT PRODUCTION	3960000.	3960000.	3930000.	3930000.	3547000.	3517000.
DEPRECIATION COST	737000.	770000.	478000.	478000.	380000.	303000.
TOTAL PRODUCTION	4697000.	4730000.	4534000.	4408000.	3927000.	3820000.
DIRECT PROD / LR CU	.523	.523	.510	.510	.601	.596
TOTAL PROD / LR CU	.620	.624	.598	.582	.666	.648

MV502 FINANCIAL ANALYSIS - COMPUTING ASSOCIATES, INC., TUCSON, ARIZONA
 ESSEX - SQUAW PEAK PROPERTY FINANCIAL EVALUATION - CASE 2-R - APRIL 1974

PRODUCTION STATISTICS, REVENUE, AND COSTS

YEAR	1987	1988
PRODUCTION STATISTICS		
WASTE TONS MINED	439000.	0.
ORE TONS MINED	1050000.	108000.
AVERAGE COPPER GRADE	.360	.360
AVERAGE MOLY GRADE	0.000	0.000
AVERAGE SILVER GRADE	.076	.076
AVERAGE GOLD GRADE	.002	.002
COPPER RECOVERY	.780	.780
MOLY RECOVERY	0.000	0.000
SILVER RECOVERY	.500	.500
GOLD RECOVERY	.500	.500
TOTAL POUNDS COPPER	5896800.	606528.
TOTAL POUNDS MOLY	0.	0.
TOTAL OUNCES SILVER	39900.	4104.
TOTAL OUNCES GOLD	1050.	108.
METAL PRICE AND REVENUE		
CU REVENUE - .80/LB	4717000.	485000.
MO REVENUE - 2.00/LB	0.	0.
AG REVENUE - 4.00/OZ	160000.	16000.
AU REVENUE - 150.00/OZ	158000.	16000.
GROSS REVENUE	5035000.	518000.
PRODUCTION COSTS		
WASTE AT .300 / TON	132000.	0.
ORE AT .300 / TON	315000.	32000.
CONC AT 1.100 / TON	1155000.	119000.
G + A AT .570 / TON	599000.	62000.
OPERATING COST	2200000.	213000.
POST CONC - .210/LB	1238000.	127000.
DIRECT PRODUCTIN	3439000.	340000.
DEPRECIATION COST	243000.	1039000.
TOTAL PRODUCTION	3682000.	1379000.
DIRECT PROD / LB CU	.583	.561
TOTAL PROD / LB CU	.624	2.274

MV502 FINANCIAL ANALYSTS - COMPUTING ASSOCIATES, INC., TUCSON, ARIZONA
 ESSEX - SQUAW PEAK PROPERTY FINANCIAL EVALUATION - CASE 2-R - APRIL 1974

PRODUCTION STATISTICS, REVENUE, AND COSTS

YEAR	TOTAL
PRODUCTION STATISTICS	
WASTE TONS MINED	12039000.
ORE TONS MINED	11658000.
AVERAGE COPPER GRADE	.418
AVERAGE MOLY GRADE	0.000
AVERAGE SILVER GRADE	.076
AVERAGE GOLD GRADE	.002
COPPER RECOVERY	.810
MOLY RECOVERY	0.000
SILVER RECOVERY	.500
GOLD RECOVERY	.500
TOTAL POUNDS COPPER	7891328.
TOTAL POUNDS MOLY	0.
TOTAL OUNCES SILVER	443004.
TOTAL OUNCES GOLD	11658.

METAL PRICE AND REVENUE	
CU REVENUE - .86/LB	63129000.
MO REVENUE - 0.00/LB	0.
AG REVENUE - 4.00/OZ	1772000.
AU REVENUE - 150./OZ	1749000.
GROSS REVENUE	66550000.

PRODUCTION COSTS	
WASTE AT .291 / TON	3412000.
ORE AT .310 / TON	3497000.
CONC AT 1.100 / TON	12824000.
G + A AT .470 / TON	6645000.
OPERATING COST	26578000.
POST CONC - .210/LB	16571000.
DIRECT PRODUCTN	43149000.
DEPRECIATION COST	9550000.
TOTAL PRODUCTION	52699000.
DIRECT PROD / LB CU	.547
TOTAL PROD / LB CU	.668

MVS02 FINANCIAL ANALYSTS - COMPUTING ASSOCIATES, INC., TUCSON, ARIZONA
 ESSEX - SUBAU DEAK PROPERTY FINANCIAL EVALUATION - CASE 2-R - APRIL 1974

CASH FLOW PROJECTION AND FINANCIAL ANALYSTS

YEAR	1975	1974	1977	1978	1979	1980
CAPITAL CASH FLOW						
UNDEPRECIABLE CAPITAL	391000.	278000.	264000.	250000.	0.	0.
DEPRECIABLE CAPITAL	3100000.	5950000.	0.	0.	0.	0.
WORKING CAPITAL	0.	300000.	718000.	0.	0.	0.
TOTAL INVESTMENT	3491000.	6528000.	582000.	250000.	0.	0.
OPERATIONS CASH FLOW						
GROSS REVENUE	0.	0.	6379000.	6379000.	6379000.	6379000.
POST-CONCENTRATER	0.	0.	1591000.	1591000.	1591000.	1591000.
NET SMT RETURN	0.	0.	4787000.	4787000.	4787000.	4787000.
OPERATING COST	150000.	300000.	2429000.	2429000.	2429000.	2429000.
OTHER EXPENSES	100000.	0.	0.	0.	0.	0.
DEPRECIATION COST	0.	0.	1645000.	1346000.	1102000.	901000.
GROSS PROFIT	-250000.	-300000.	713000.	1013000.	1257000.	1458000.
DEPLETION ALLOWANCE	0.	0.	357000.	506000.	629000.	718000.
PREVIOUS STATE TAXES	0.	-10000.	-13000.	311000.	336000.	352000.
SALVAGE VALUE	0.	0.	0.	0.	0.	0.
TAXABLE INCOME	-250000.	-290000.	370000.	195000.	203000.	388000.
FEDERAL INCOME TAX	-120000.	-139000.	177000.	94000.	141000.	186000.
STATE SALES TAX	0.	0.	96000.	96000.	96000.	96000.
STATE INCOME TAX	-10000.	-13000.	14000.	33000.	39000.	44000.
STATE PROPERTY TAX	0.	0.	201000.	207000.	217000.	200000.
TOTAL TAXES	-130000.	-152000.	489000.	429000.	482000.	527000.
NET INCOME	-120000.	-148000.	225000.	583000.	765000.	931000.
OPERATIONS CASH FLOW						
NET CASH FLOW	-3611000.	-6676000.	888000.	1679000.	1867000.	1832000.
CUMULATIVE CASH FLOW	-3611000.	-10287000.	-9399000.	-7719000.	-5852000.	-4020000.

MV502 FINANCIAL ANALYSTS - COMPUTING ASSOCIATES, INC., TUCSON, ARIZONA
 ESSEX - SQUAW PEAK PROPERTY FINANCIAL EVALUATION - CASE 2-R - APRIL 1974

CASH FLOW PROJECTION AND FINANCIAL ANALYSIS

YEAR	1981	1982	1983	1984	1985	1986
CAPITAL CASH FLOW						
UNDEPRECIABLE CAPITAL	0.	0.	0.	0.	0.	0.
DEPRECIABLE CAPITAL	0.	500000.	0.	0.	0.	0.
WORKING CAPITAL	0.	0.	0.	0.	0.	0.
TOTAL INVESTMENT	0.	500000.	0.	0.	0.	0.
OPERATIONS CASH FLOW						
GROSS REVENUE	6379000.	6379000.	6379000.	6379000.	5035000.	5035000.
POST-CONCENTRATER	1591000.	1591000.	1591000.	1591000.	1238000.	1238000.
NET SMIT RETURN	4787000.	4787000.	4787000.	4787000.	3796000.	3796000.
OPERATING COST	2369000.	2369000.	2339000.	2339000.	2309000.	2279000.
OTHER EXPENSES	0.	0.	0.	0.	0.	0.
DEPRECIATION COST	737000.	770000.	605000.	478000.	380000.	303000.
GROSS PROFIT	1692000.	1649000.	1844000.	1971000.	1108000.	1214000.
DEPLETION ALLOWANCE	718000.	718000.	718000.	718000.	554000.	569000.
PREVIOUS STATE TAXES	340000.	337000.	321000.	291000.	259000.	172000.
SALVAGE VALUE	0.	0.	0.	0.	0.	0.
TAXABLE INCOME	623000.	594000.	805000.	961000.	295000.	473000.
FEDERAL INCOME TAX	299000.	285000.	386000.	461000.	142000.	227000.
STATE SALES TAX	96000.	96000.	96000.	96000.	76000.	76000.
STATE INCOME TAX	53000.	52000.	59000.	63000.	33000.	33000.
STATE PROPERTY TAX	188000.	174000.	137000.	100000.	63000.	48000.
TOTAL TAXES	636000.	607000.	678000.	721000.	314000.	385000.
NET INCOME	1046000.	1042000.	1166000.	1250000.	794000.	830000.
OPERATIONS CASH FLOW						
NET CASH FLOW	1743000.	1812000.	1771000.	1728000.	1174000.	1133000.
CUMULATIVE CASH FLOW						
NET CASH FLOW	1743000.	1312000.	1771000.	1728000.	1174000.	1133000.
CUMULATIVE CASH FLOW	-2237000.	-925000.	847000.	2575000.	3749000.	4882000.

MV502 FINANCIAL ANALYSIS - COMPUTING ASSOCIATES, INC., TUCSON, ARIZONA
 ESSEX - SQUAW PEAK PROPERTY FINANCIAL EVALUATION - CASE 2-B - APRIL 1974

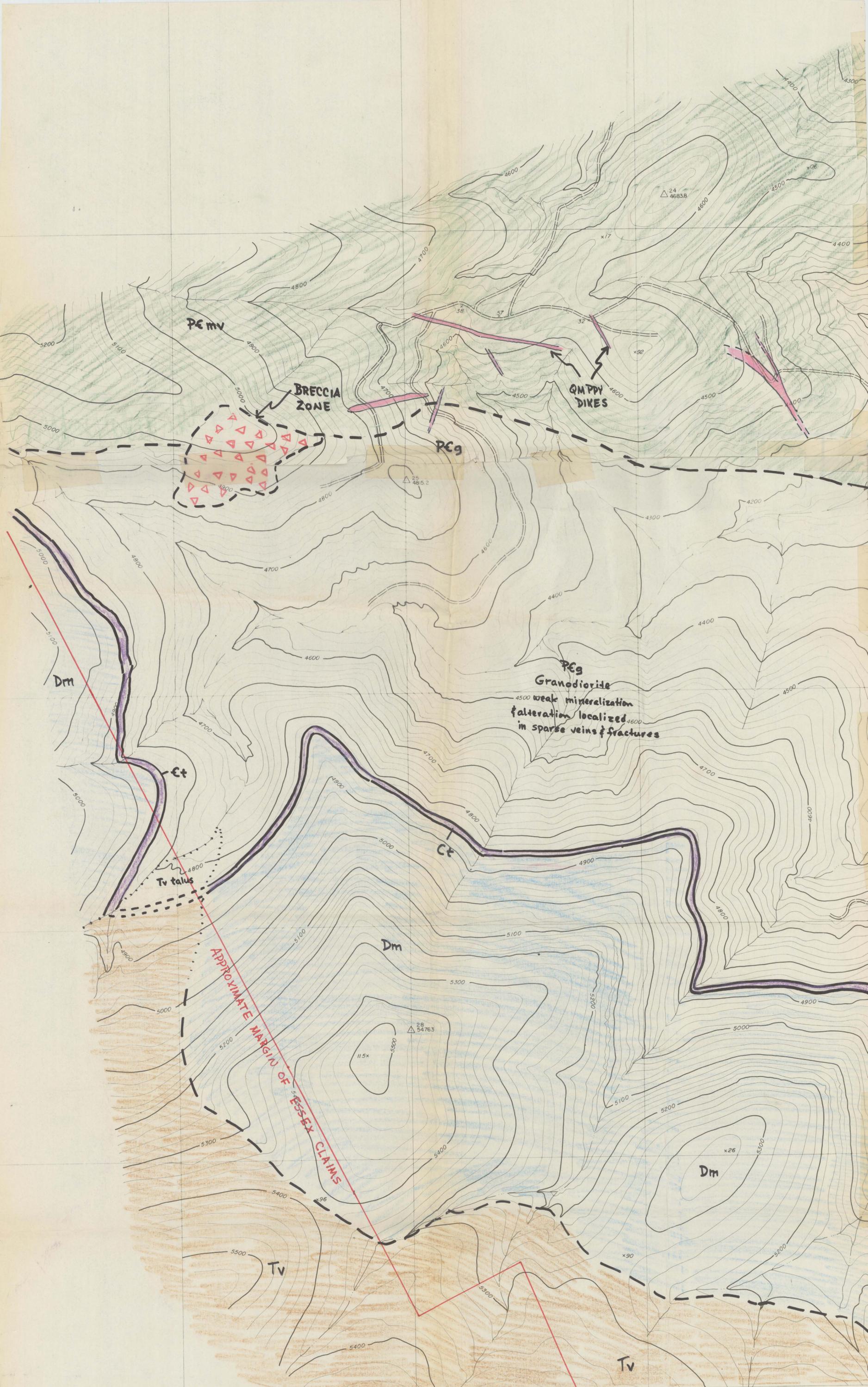
CASH FLOW PROJECTION AND FINANCIAL ANALYSIS

YEAR	1987	1988
CAPITAL CASH FLOW		
UNDEPRECIABLE CAPITAL	0.	0.
DEPRECIABLE CAPITAL	0.	0.
WORKING CAPITAL	0.	-868000.
TOTAL INVESTMENT	0.	-868000.
OPERATIONS CASH FLOW		
GROSS REVENUE	5075000.	518000.
POST-CONCENTRATED NET SPLIT RETURN	1238000.	127000.
OPERATING COST	3796000.	390000.
OTHER EXPENSES	2200000.	213000.
DEPRECIATION COST	0.	0.
	243000.	1039000.
GROSS PROFIT	1353000.	-862000.
DEPLETION ALLOWANCE	569000.	0.
PREVIOUS STATE TAXES	158000.	137000.
SALVAGE VALUE	0.	2060000.
TAXABLE INCOME	626000.	1062000.
FEDERAL INCOME TAX	300000.	510000.
STATE SALES TAX	76000.	8000.
STATE INCOME TAX	39000.	55000.
STATE PROPERTY TAX	22000.	-6000.
TOTAL TAXES	437000.	567000.
NET INCOME	916000.	632000.
OPERATIONS CASH FLOW	1159000.	1671000.
NET CASH FLOW	1159000.	2539000.
CUMULATIVE CASH FLOW	6041000.	8580000.

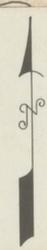
MV902 FINANCIAL ANALYSIS - COMPUTING ASSOCIATES, INC., TUCSON, ARIZONA
 ESSEX - SUDAW PEAK PROPERTY FINANCIAL EVALUATION - CASE 2-R - APRIL 1974

CASH FLOW PROJECTION AND FINANCIAL ANALYSIS

YEAR	TOTAL
CAPITAL CASH FLOW	
UNDEPRECIABLE CAPTL	1183000.
DEPRECIABLE CAPITAL	9550000.
WORKING CAPITAL	150000.
TOTAL INVESTMENT	10883000.
OPERATIONS CASH FLOW	
GROSS REVENUE	66650000.
POST-CONCENTRATOR	16571000.
NET S/T RETURN	50078000.
OPERATING COST	26572000.
OTHER EXPENSES	100000.
DEPRECIATION COST	9550000.
GROSS PROFIT	13850000.
DEPLETION ALLOWANCE	6775000.
PREVIOUS STATE TAXES	2991000.
SALVAGE VALUE	2060000.
TAXABLE INCOME	6144000.
FEDERAL INCOME TAX	2969000.
STATE SALES TAX	1002000.
STATE INCOME TAX	495000.
STATE PROPERTY TAX	1552000.
TOTAL TAXES	5977000.
NET INCOME	993000.
OPERATIONS CASH FLOW	10463000.
NET CASH FLOW	8540000.
CUMULATIVE CASH FLOW	8530000.
DCF - RATE OF RETURN	.0986

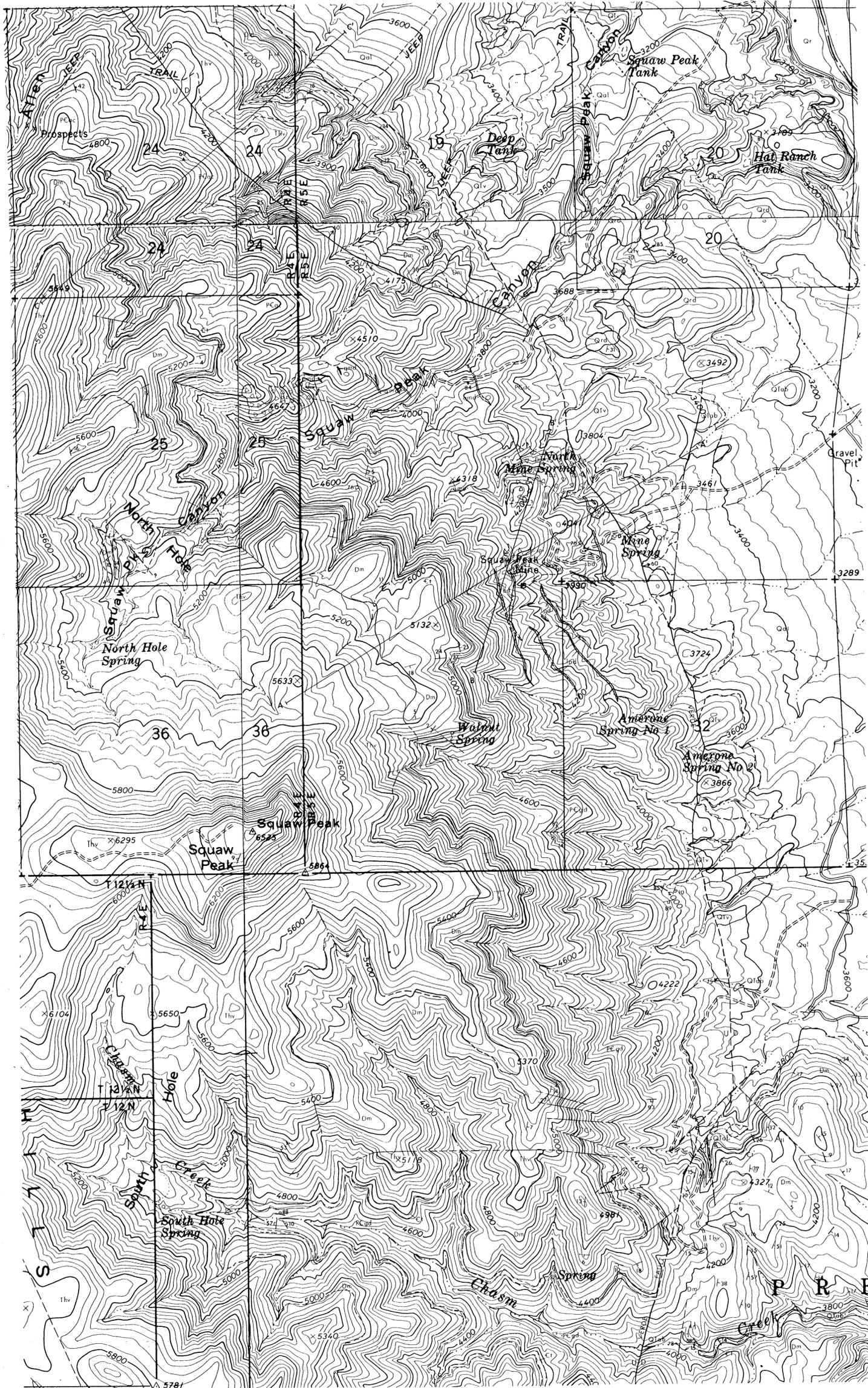


0' 200' 400' 600'
 CONTOUR INTERVAL - 20' SCALE 1" = 200'
 DATE OF PHOTOGRAPHY - OCTOBER 1967



7	4	1
8	5	2
9	6	3

TOPOGRAPHIC MAP
PHILLIPS PETROLEUM COMPANY
 MINERALS DIVISION S.L.C. UTAH
 JOB NO. MD 1064-1065
SQUAW PEAK DISTRICT
 YAVAPAI COUNTY, ARIZONA
 SHEET 8 OF 9 SHEETS



EXPLANATION

- Recent
 - Qr River wash
 - Qal Alluvium unconformity
 - Qrd Rhyolite flows unconformity
 - Qlv Verde Formation unconformity
 - Qlab Andesite and basalt volcanic rocks unconformity
- Pleistocene
 - Qlvb Hickey formation: olivine basalt flows unconformity
 - Qlvq Quartz monzonite dikes
- Pliocene (?)
 - Qlvb Breccia zones
 - Qlvb Shear breccia; sb: shear breccia; dikes; sbd
 - Qlvb Late porphyry dikes
 - Qlvb Granitic breccia dikes
- Laramide (?)
 - Qlvb Squaw Peak intrusive quartz monzonite; sqy unconformity
 - Dm Martin limestone unconformity (?)
 - C1 Tapeats (?) sandstone unconformity
 - PCgd Granddiorite unconformity
 - PCac Ash Creek (?) group metamorphosed, basalt and andesite flows and breccia; also porphyritic andesitic flows
- Middle (?) and Upper Devonian
 - PCgd Granddiorite unconformity
 - PCac Ash Creek (?) group metamorphosed, basalt and andesite flows and breccia; also porphyritic andesitic flows

Contact dashed where approximately located; dotted where concealed

Fault, showing dip dashed where approximately located; dotted where concealed; U, upthrown side; D, downthrown side

Minor fold showing strike and dip of axial plane and trend and plunge of axis

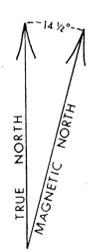
Strike and dip of beds

Strike and dip of foliation

Strike and dip of planar flow structure

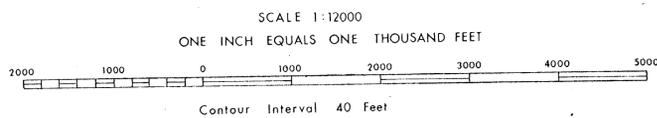
Strike and dip of joints

Strike and dip of vertical joints



APPROXIMATE MEAN DECLINATION 1969

GEOLOGIC MAP OF THE SQUAW PEAK AREA
YAVAPAI COUNTY, ARIZONA



ESSEX INTERNATIONAL, INC.
1704 WEST GRANT RD., TUCSON, ARIZONA 85715
PHONE (602) 631-4211

PROJECT: SQUAW PEAK
PROSPECT:
NUMBER:
COUNTY, STATE: YAVAPAI, ARIZ.
LAT., LONG.:
T., R., & SECTION: T12N, R4E, S5E

GEOLOGIC MAP OF AREA

SCALE: 1" = 1000'
DATE: JULY, 1974
DATA BY: R. ROE
PREPARED BY: R. ROE

