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Zonia SX-EW Plant Capital Budget

10/7/93

Solvent Extraction

SX will consist of two trains capable of flowing 2000 GPM each at 1.5 GPM/sq.ft of settler area.
Mixer retention time is two minutes.

Concrete	Cubic Yards	Cost
Footers	95.56	\$7,883
Walls	191.11	\$15,767
Floor	288.89	\$23,833
Misc.	119.44	\$9,854
Subtotal		\$57,338

Stainless Steel	Sq. Ft.	Thickness	Cost
Liner	21024.00	18 gage	\$75,686
Weirs	2400.00	1/4 in.	\$44,107
Mixer Boxes	4800.00	1/4 in.	\$88,214
Pipe	288.00	10 gage	\$2,919
Flanges	168.00	1/2 in.	\$6,175
Impellers	46.00	3/8 in.	\$1,268
Subtotal			\$218,369

Mechanical Equipment	Cost
Gearboxes	\$144,000
Valves	\$21,000
Pipe Supports	\$12,000
Walkways	\$30,000
Misc. Iron	\$25,000
Subtotal	\$232,000

Electrical / Instrumentation	Cost
MCC/Starters	\$16,000
Conduit	\$9,000
Wire	\$9,000
Start/stop Stations	\$3,000
Flow Meters	\$72,000
Subtotal	\$109,000

Plumbing	Cost
Pipe	\$19,200
Pipe Fittings	\$36,000
Subtotal	\$55,200

Zonia SX-EW Plant Capital Budget

10/7/93

SX SUBTOTAL \$671,907

Tank Farm

Concrete	Cubic Yards		
Walls	80.00		\$6,600
Floor	132.00		\$10,890
Tank Walls	80.00		\$6,600
 Subtotal			 \$24,090

Stainless Steel			
Tank Liners	6400.00	18 gage	\$23,040
Flanges	520.00	1/2 in.	\$19,113
Pipe	960.00	10 gage	\$9,729
 Subtotal			 \$51,882

Mechanical Equipment			
Pumps	8.00	\$16,000	\$128,000
Filters	2.00	\$75,000	\$150,000
Heat Exchangers	2.00	\$20,000	\$40,000
Pipe Supports			\$16,000
Valves	68.00	\$550	\$37,400
 Subtotal			 \$371,400

Electrical/Instrumentation			
MCC/Starters			\$15,000
Wire			\$7,500
Conduit			\$10,000
Start/stop Stations			\$5,000
Flow Meters			\$25,000
Level Indicators			\$12,000
Pressure Indicators			\$1,000
Temperature Indicators			\$1,000
 Subtotal			 \$76,500

Plumbing			
Pipe			\$30,000
Pipe Fittings			\$36,000
 Subtotal			 \$66,000

Zonia SX-EW Plant Capital Budget

10/7/93

TANK FARM SUBTOTAL

\$589,872

Electro-Winning

EW will consist of a 52 cell tankhouse expandable to 68 cells.

This will allow production to reach 70,000 PPD with relatively low additional investment.

Rectifiers			\$300,000
Busbar			\$60,000
Cells	52.00	\$3,500	\$234,000
Anodes	1924.00	\$200	\$384,800
Cathodes	1872.00	\$175	\$327,600
Cranes	2.00	\$40,000	\$80,000
Building Foundation	340 YD	\$83	\$28,220
Building			\$75,000
Rectifier Room			\$45,000
Cell Plumbing	52.00	\$300	\$15,600
Wash /Strip System			\$30,000
Contact Bars			\$21,600
Capping Boards			\$8,100
Cell Insulators			\$5,400
Mist Balls			\$15,000
Anode Insulators			\$30,420
Flooring			\$40,000
Boiler			\$75,000
Centrifuge			\$180,000

EW SUBTOTAL

\$1,955,740

General

Power Supply	\$500,000
Engineering	\$150,000
Salaries	\$161,000
Labor	\$504,000
Equipment Rental	\$145,000
Tools	\$100,000
Consumables	\$150,000
Vehicles	\$40,000
Fuel	\$35,000
Travel	\$20,000

GENERAL SUBTOTAL

\$1,805,000

GRAND TOTAL

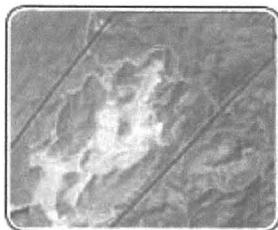
\$5,022,519



Project Skills



Former Zonia Copper Mine Yavapai County, AZ



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Skills Used:

- Strategic Planning
- CERCLA/RCRA Support
- Document Management
- Site Investigation

Summary of IESI Activities

The Zonia mining property is located in the Walnut Grove Mining District approximately six miles southeast of Kirkland Junction, in Yavapai County, Arizona. From the mid-1960's until 1975, the former copper mine was operated by McAlester Fuels (McAlester), a predecessor to Enstar, a 50/50 partnership between British Petroleum (BP) and LASMO. The property, a collection of five parcels, consists of 722 acres of patented and approximately 2,400 acres of unpatented mining claims, and is situated midway between Prescott and Wickenburg, Arizona, about 70 miles northwest of Phoenix. The current owner of the inactive mine is bankrupt.



Integrated compiled and reviewed key documents and bankruptcy court records, consolidated site information, and developed a strategic plan to assist the client's objectives. The strategic plan evaluated the legal and regulatory status of the site, the property ownership, site contamination, remedial activities performed, and whether anything further should be done with the property.

Mining in the Zonia area began in the late 1860's and ended around 1975. As high-grade oxide reserves were depleted, underground mining was replaced by open-pit heap-leach methods for mining low-grade copper-oxide ores. In a variation on leach mining, two areas on the north end of the existing open pit mine were fractured by explosives and used as in-situ leach basins. The fractures extended into the groundwater, as did the injected acid. These in-situ areas were the source of some degraded water quality discharges at springs within the property boundaries. In large storm events, the surface streams run blue as a result of the acid-copper chemical reaction. The site lies within the watershed that provides drinking water for Phoenix.

To date, numerous attempts to reopen the site for mining operations have failed. If the mine cannot be reopened and an active mine operation

permitted, then the owner must prepare a mine closure application and seek a mine closure permit. If a new, solvent, owner does not acquire the site, the state may take over environmental monitoring activities or the remediation/monitoring systems may fall into disrepair, possibly creating new violations and new environmental costs that could have been avoided.

*"Delivering Project Success by Integrating
Strategies, Services, and Software"*



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QUARTERLY REPORT TO 30 SEPTEMBER 2000

HIGHLIGHTS

OPERATIONS

Mineral Park - Arizona USA (100%)

Mineral Park produced 488 metric tonnes (1.075 million pounds) of cathode copper for the Quarter. During the previous Quarter the Company announced the signing of a conditional agreement by Equatorial Mining North America, Inc. for the sale of Mineral Park to Silver Eagle Resources Ltd. It is anticipated that the completion of the sale will occur in the fourth quarter of the year.

Tonopah - Nevada, USA (100%)

Cathode copper production for the Quarter of 2,080 metric tonnes (or 4.585 million pounds) was lower than forecast as a result of delays previously reported on in respect of the construction of the Project and the Pregnant Liquor Solution ("PLS") grade being substantially lower than that envisaged per the Feasibility Study. Studies have indicated that the capacity of the system is required to be increased to 10,000 gallons per minute to achieve forecast production levels, compared with the current design capacity of 4,000 gallons per minute. It is envisaged that full capacity will be achieved by April 2001, resulting in full cathode copper production in the third quarter of 2001.

CONSTRUCTION PROJECT

El Tesoro - Region II, Chile (39%)

Construction of the El Tesoro Project continued during the Quarter, with construction progress at approximately 63% as at 30 September 2000. Total cumulative Project expenditure as at 30 September 2000 was US\$156.72 million, with expenditure of US\$51.32 million incurred during the quarter. Construction and start-up is projected to be completed by mid 2001.

CORPORATE

The Company's report for the previous Quarter disclosed that delays in completion and production at Tonopah have resulted in a significant increase in working capital requirements, thereby affecting the future funding requirements of the Company. This resulted in the Company being required to fund its short term cash flow requirements by means of an issue of preference shares with an subscription value of US\$10 million by Equatorial Mining North America, Inc to AMP Nominees Pty Limited (a wholly owned subsidiary of the major shareholder AMP Life Ltd). The proceeds of the issue were received on 26 July 2000. The Directors have requested AMP Life Ltd to make further funding available and have an expectation that this will occur shortly and in any event not later than during the quarter ending 31 December 2000.

Mineral Park – Arizona USA (100%): in Operation

Cathode copper production for the Quarter was 488 metric tonnes (or 1.075 million pounds), compared with the previous Quarter's results of 612 metric tonnes (or 1.350 million pounds). Lower production was mainly attributable to a continued decline in copper solution grades and high rainfall during August 2000 in particular.

Cathode copper shipments for the Quarter amounted to 488 metric tonnes (or 1.075 million pounds), representing sales revenue of US\$1,065,000 (A\$1,856,000). Cash operating costs of US\$1,081,000 (A\$1,884,000) for the Quarter were in line with cash operating costs of US\$1,110,000 (A\$1,914,000) for the previous Quarter.

As at the end of the Quarter, Mineral Park forward sales hedge contracts totalled 1.2 million pounds of copper for the period October to December 2000 at US\$0.865/lb of copper.

During the previous Quarter the Company announced the signing of a conditional agreement by its US subsidiary, Equatorial Mining North America, Inc. ("EMNA") for the sale of EMNA's entire shareholding in Equatorial Mineral Park, Inc. to Silver Eagle Resources Ltd ("Silver Eagle"), a publicly traded corporation listed on the Canadian Venture Exchange. The consideration for the sale will be the issue of approximately 23 million ordinary shares in Silver Eagle. Completion of the sale is subject to a number of conditions, including due diligence, a capital raising by Silver Eagle to fund working capital at Mineral Park, approval of the shareholders of Silver Eagle, consent of Equatorial's bankers and final documentation. SER lodged a Preliminary Prospectus with the Canadian Venture Exchange on 28 September 2000. The shareholders of SER have been provided with an Information Circular and Proxy for the purposes of the SER Special Meeting to be held on 3 November 2000 to approve the transaction. It is anticipated that the completion of the sale will occur during the quarter ending 31 December 2000.

Tonopah – Nevada USA (100%): in Operation

Construction of the Tonopah Copper Project was substantially completed during the previous Quarter, although testing and commissioning as envisaged by the EPC contract have yet to be performed due to delays experienced in respect of the construction of the Project. The delays contributed to production being lower than forecast during the Quarter. Cathode copper production for the Quarter was 2,080 metric tonnes (or 4.585 million pounds), compared with production of 1,582 metric tonnes (3.487 million pounds) of cathode copper in the previous Quarter. This is lower than envisaged in the Feasibility Study, primarily due to the Pregnant Liquor Solution ("PLS") grade being lower than anticipated. Studies have indicated that the capacity of the system is required to be increased to 10,000 gallons per minute to achieve forecast production levels, compared with the current design capacity of 4,000 gallons per minute. Capital expenditure of approximately US\$2 million is expected to be required to install additional pipes and pumps to address this. It is envisaged that full capacity will be achieved by April 2001, resulting in full cathode copper production expected to be achieved by the third quarter of 2001.

Cathode copper shipments for the Quarter amounted to 1,857 metric tonnes (or 4.093 million pounds), representing sales revenue (net of hedge adjustments) of US\$3,070,000 (A\$5,351,000).

During the Quarter, Washington Group International (formerly Morrison Knudsen), the contract miner, continued excavation of the mine pit under the supervision of Equatorial Tonopah's Mining Manager, with a total of 4.406 million metric tonnes (4.857 million short tons) of ore and waste mined at a waste to ore strip ratio of 0.936. This represented significant reduction in mining activity since the previous Quarter, when a total of 5.799 million metric tonnes (6.390 million short tons) of ore and waste were mined. The previous Quarter's total included Run-of-Mine ore amounting to 2.156 million metric tonnes (2.376 million short tons) stacked directly onto the heap leach pads in order to commence cathode copper production as soon as practicable.

The amount drawn down from the Tonopah Banking Syndicate, under the Credit Agreement, remained at US\$30 million of the US\$35 million facility, with 75% of the interest obligations hedged. No further drawdowns are anticipated from this facility, pending clarification of the operating issues indicated above.

As at the end of the Quarter, Tonopah's forward sales hedge contracts totalled 122.911 million pounds of copper in respect of the period October 2000 to December 2002, at an average of US\$0.749/lb of copper. During the Quarter hedge contracts amounting to 7.61 million pounds were bought back or delivered against. The Company has purchased copper call options, covering 27 million pounds of copper for the year ending 31 December 2001 at a strike price of 80 cents per pound of copper (US\$1,764 per metric tonne).

El Tesoro – Region II Chile – (39% owned): in Construction

Construction of the El Tesoro Project continued during the Quarter, with construction progress at approximately 63% as at 30 September 2000. Total cumulative Project expenditure as at 30 September 2000 was US\$156.72 million, with expenditure of US\$51.32 million being incurred during the Quarter.

During the Quarter detailed engineering design was completed to the point that the Santiago engineering project office was closed and all engineers mobilized to site. Construction emphasis was switched from civil works to electro-mechanical installations. All major concrete pours were completed and structural steel erection and equipment installation commenced. The construction of the water supply system has been completed and operational and performance testing is taking place. Considerable progress has been made in respect of the construction of the Crushing and Screening plant, leach pads, electric supply system, Solvent Extraction and Electrowinning plants, offices and operational mancamp, which are on schedule for completion.

Minera El Tesoro entered into an agreement with Caterpillar for the purchase of the mine fleet and related maintenance and repair contract. The fleet is scheduled to be on site in November 2000.

Construction of the Project is projected to be completed by May 2001. As at the end of the Quarter, a total of 2,694 contract and other personnel were involved in the construction of the Project.

Pabellon - Region II Chile – (51% owned): in Construction

The Pabellon tailings retreatment Project, a pilot gold and copper extraction process at Copiapo, Chile, was advanced during the Quarter. The construction of the gravity circuit has been substantially completed, but the Project continues to experience start-up issues in respect of the treatment of high grade tailings. Commencement of commercial production is contingent upon the satisfactory resolution of the start-up issues.

Zonia – Arizona USA (100%: Pre feasibility studies)

Exploration drilling with a reverse circulation rotary rig was continued during the Quarter with a total of 2,060 feet of hammer drilling completed. The drilling was aimed at determining the potential extent of oxide mineralisation at Zonia and results were positive. Most holes encountered ore grade oxide mineralisation that confirm the Zonia Mine mineralisation is 400-600 feet wide and several thousand feet long. To date preliminary assays range from 0.20% copper to 0.38% copper, while down hole drill intercepts range from 20 to 400 feet. Drilling results in respect of programs previously conducted by other parties were located and confirm the mineralisation zone as outlined. This data will be checked for accuracy to determine whether the results can be incorporated into the geological resource calculations. Drilling is continuing at the property.

Exploration

Evaluation of the West Fissure Project, a large tenement block in the El Tesoro region, continued during the Quarter. The Caracoles (forming part of the West Fissure Project) drilling project has been completed with 2,453 metres drilled. Sufficient work has been completed to maintain the option in good standing. No obvious significant copper mineralisation was intersected. However, some geology revisions may have implications to the mineral potential, particularly the 'Mansa Mina' style of mineralisation associated with strongly faulted structures.

Water exploration throughout Region II in Chile involved the lodgement of water production applications.

Corporate and Finance

The Company's report for the previous Quarter disclosed that delays in completion and production at Tonopah have resulted in a significant increase in working capital requirements, thereby affecting the future funding requirements of the Company. This resulted in the Company being required to fund its short-term cash flow requirements by means of the issue of preference shares with a subscription value of US\$10 million (A\$17.027 million) by Equatorial Mining North America, Inc. to AMP Nominees Pty Limited (a wholly owned subsidiary of the major shareholder AMP Life Ltd). The proceeds of the issue were received on 26 July 2000. The Directors have requested AMP Life Limited to make further funding available and have an expectation that this will occur shortly and in any event not later than during the quarter ending 31 December 2000.

The Equatorial Group's cash expenditure during the Quarter included operating costs in respect of the Mineral Park mine of US\$1,142,000 (A\$1,991,000), development and other costs relating to the Tonopah Project of US\$12,056,000 (A\$21,014,000) and exploration in Latin America and North America of US\$303,000 (A\$528,000). Details of the Company's cash flows for the Quarter are disclosed per the Company's Appendix 5B quarterly report.

Gavin Thomas
Chief Executive Officer

31 October 2000

NOTE: The information in this report insofar as it relates to ore or mineralisation is based on information compiled by a person who is a member of the Australasian Institute of Mining and Metallurgy and has a minimum of 5 years experience in the field of activity being reported on. This report accurately reflects the information compiled by that person.

SPIDER RESOURCES INC.

Board of Directors

Bryan Wilson, B.Sc.

President and CEO of Spider Resources Inc.

Bryan Wilson graduated from the University of Waterloo in 1975. Bryan has 18 years experience in the Mining Industry covering all facets of mining exploration and development, and 14 years experience in the Financial Services Industry involved in Investment Research (Mining Analyst), Corporate Finance, and Venture Capital as it relates to the mining industry and collaterally Retail Sales.

Bryan became involved with Spider Resources Inc. in 1995 in his capacity as Mining Analyst with the retail brokerage firm C.M.Oliver. Bryan closely followed Spider's activities through the mid to late 1990's and was appointed to be a member of the board in September 1999.

Bryan in his capacity as a board member was appointed to Spider's audit committee. Meanwhile, Bryan held a senior management position with CorporateFinanceDirect.com and Thames Capital Corp. of Toronto. In late 2002, Bryan through his involvement in the mining industry was hired in a consulting capacity to help guide Ste. Genevieve Resources Inc.'s restructuring process, Bryan was eventually hired by Ste. Genevieve to become its President. Bryan's consulting endeavors also resulted in his appointment as President and then Chairman of VenCan Resources Inc. in early 2003 and a board member of MacDonald Mines Exploration Ltd.

In June of 2003, Bryan was nominated and appointed by the Board of Spider Resources Inc. to be its President and Chief Executive Officer.

Neil D. Novak, B.Sc., F.G.A.C.

**VP (Exploration), Chief Operating Officer and Director
of Spider Resources Inc.**

Neil has 27 years experience in the mining industry, the last 10 of which have been directly related to the diamond exploration industry. Neil graduated from University of Waterloo in 1977 and immediately became involved as a project geologist for the Canadian operations of Australian based uranium explorer Pancontinental Mining Ltd. In 1983, Neil left Pancontinental and formed a private consulting company, Nominex Ltd. As managing director of Nominex, Neil became involved in various North American and International exploration assignments. In late 1992, Neil prepared the geological report that supported the initial prospectus for Spider in his capacity as consultant to the founders of Spider. Spider Resources Inc. became a public company in early 1993. Neil became an active board member and senior officer of the company in 1995 and remained as such through to early 1999. Neil was re-elected to the Board of Spider in September 1999, and was re-appointed as Vice President in November 1999 and as Secretary for the corporation in January 2000. Also, in January, 2000 Neil through his ownership of Nominex Ltd., teamed up with Norman Brewster to form the consulting company Billiken Management Services Inc., Billiken entered into a contract with Spider and joint venture partner KWG Resources Inc. to manage all exploration activities of the KWG/Spider joint venture in the capacity of "appointed manager". Neil through his involvement in Billiken provides geological consultation to various other resource companies and brokerage firms. In June of 2003, Neil became the Chief Operating Officer of Spider.

Norman E. Brewster, B.Sc., B.Ed.**Director of Spider Resources Inc.**

Norm has 33 years experience in the Mining Industry, mostly in International exploration, the last 10 of which are directly related to the diamond exploration industry. Norm graduated from Acadia University in Nova Scotia in 1969 with a B.Sc. in geology followed by a 1971 B.Ed. degree. During his schooling, Norm gained experience as a geologist with the Nova Scotia and New Brunswick governments as well as various international assignments for A.C.A. Howe International. Upon graduation he became involved with A.C.A. Howe International in Canada, becoming a partner of this international mining consulting firm. Norm left Howe in 1983 and started his own consulting company Minroc Management Ltd. Norm has been self-employed since 1983 and has gained geological and management experience operating throughout North America, the Caribbean, South America, Africa, Europe and Russia. Norm joined the Board of Spider in 1993 and served as its first president until February 1999. Norm was re-elected to the board of Spider in September 1999, and was reappointed as President in November 1999 and served in this capacity until June 2003. Norm voluntarily resigned as President of Spider but remains a director of the company and sits on the audit committee.

Earl S. Coleman**Director of Spider Resources Inc.**

Earl Coleman is involved in senior management of a freight forwarding business headquartered in Winnipeg, Manitoba. From 1985 to 1991, Earl held a series of positions with Big Freight Systems Inc. and in 1991 he was appointed to the position of Secretary Treasurer. In 1997 Earl was further appointed to Vice President of this company. He is currently the VP and Secretary Treasurer of Big Freight Systems Inc and Secretary Treasurer of Big Freight America Inc. His recent appointment to the board of Spider, is Earl's first involvement with a publicly traded mining company. Earl's involvement with Spider was spawned by a series of investments made by a consortium of Manitoba based investors into Spider during the period 1994 through to 1997. To respect this financial support and investment into Spider, this group of investors were offered representation at the board level in Spider, Earl was their representative of choice. Earl brings with him a close connection to these (and other) financial sources which have supported Spider's exploration efforts in the past, with continued support in the future. Earl is a member of the Board of Directors of Manitoba Trucking Association, a member of the Canadian Trucking Alliance and a member of the Young Entrepreneurs Organization. Earl is a member of the audit committee for Spider Resources Inc.

Harry Hodge**Director of Spider Resources Inc.**

Mr. Hodge is a member of the Association of Professional Engineers of Ontario and holds a B.Sc. from St. Francis Xavier University. Following a summer with the Geological Survey of Canada, Mr. Hodge was employed for several years as a mine and exploration geologist with M.J. Boylen Engineering and Hudson Bay Exploration and Development. He then worked for ten years for Noranda Mines Ltd., culminating as the Senior Mine Geologist, Eastern Canada in 1971. Mr. Hodge then became Chief Geologist for Conwest Exploration Co. Ltd. before assuming the position of Manager, Minerals Division, Eastern Canada for Shell Canada Resources from 1974 to 1979. Since 1979 he has been responsible for the administration and day to day operation of several publicly-listed companies including Moss Resources Ltd, Greenshields Resources Inc. and others. He is currently the President of Greenshields Inc. and Probe Mines Limited and is a Director of Xemac Resources Inc. In addition to his membership in the APEO, Mr. Hodge is a Fellow of the Geological Association of Canada and a member of the Canadian Institute of Mining and Metallurgy, the Prospectors and Developers Association of Canada and the Ontario Club. Mr Hodge joined the board of Spider on June 18, 2003.

Richard Hamelin**Director of Spider Resources Inc.**

Richard Hamelin is currently Executive Vice-President of Rampart Securities in Montreal, Quebec, and has been since August 2000. Prior to this position, Richard was Senior Vice-President and director of Canaccord Capital in Montreal from October 1998 to August 2000. In October 1998, Canaccord acquired C.M.Oliver, prior to this acquisition Richard was Senior Vice-President and Area Manager for C.M. Oliver, headquartered in Montreal. During the period 1994 to April 1998 Richard was Senior Investment adviser at Marleau Lemire. Richard brings with him a solid client base representing many of the Spider shareholders in the greater Montreal area, he is a member of the audit committee for Spider Resources Inc.

Zonia Mine

near Prescott, Arizona, U.S.A.

COMMODITY _____

OWNERSHIP _____

DEPOSIT TYPE _____

GEOLOGICAL RESERVES _____

(PROVEN, PROBABLE & POSSIBLE)

TOTAL RECOVERABLE METAL _____

ANNUAL PRODUCTION _____

MINING METHOD _____

PROJECT STATUS: _____

High Grade/Cathode Copper Electrowon
Long Term Mining Lease - 100% Arimetco
Schist hosted copper oxide with deeper
sulfide copper

47 million tons @ 0.33% Cu
cutoff grade of 0.14 Cu & strip ratio of 0.47:1

218 million lbs of Cu @ 70% recovery

22 million lbs of Cu @ 60,000 ppd

Open Pit Heap Leach

Engineering, geological, metallurgical and
full feasibility study are now complete.

Permit is currently in technical review and
will be issued shortly.

Test work indicates in excess of 70%
recovery on crushed ore within 60 days of
leaching.

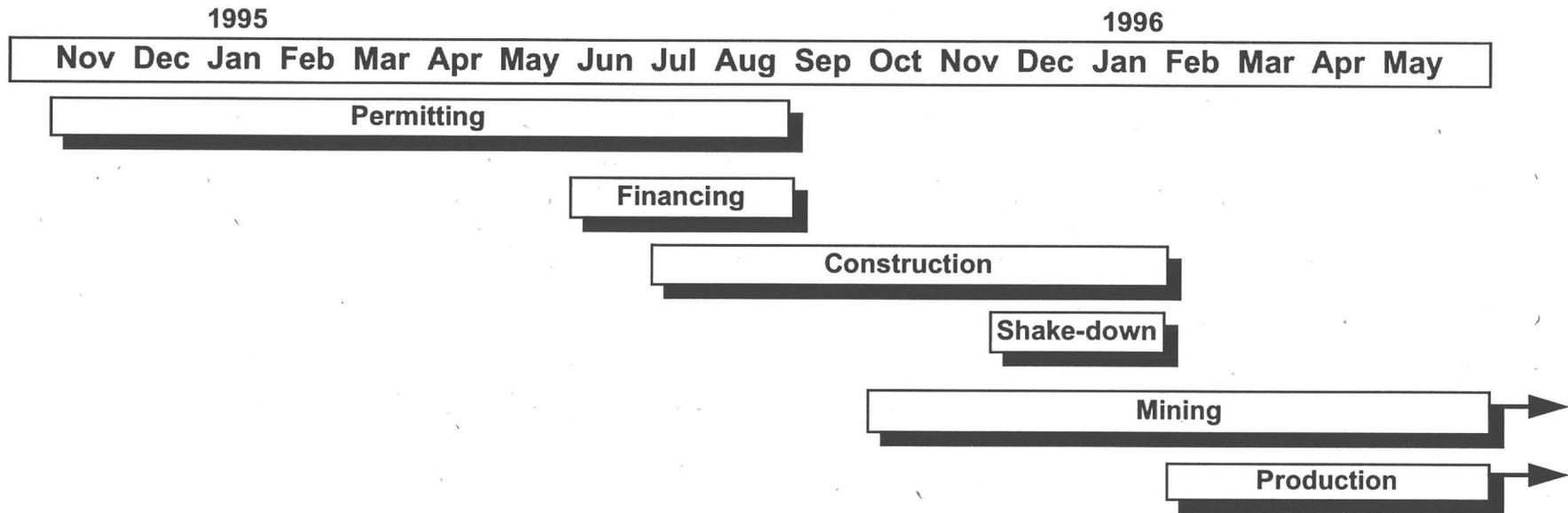


ARIMETCO
INTERNATIONAL INC.

Zonia Mine

near Prescott, Arizona, U.S.A.

DEVELOPMENT SCHEDULE



**ARIMETCO
INTERNATIONAL INC.**

Zonia Mine

near Prescott, Arizona, U.S.A.

CAPITAL COST SUMMARY

Acquisition & Development		\$ 1,750,000
Plant: SX/EW	3,077,000	
Power & Water	1,821,000	
Reagents	<u>672,000</u>	5,570,000
Leach Pads, Ponds, Solution Management		1,479,000
Crushing Plant		2,649,000
Mining Equipment		4,520,000
Pre-Production Mining		880,000
Truck Shop/Fueling Station		617,000
Acid Storage		98,000
Repair Parts/Supplies		166,000
Site Prep/Infrastructure		104,000
General Engineering/Construction		1,310,000
<u>Working Capital</u>		<u>985,000</u>
Total Capital		\$20,128,000



**ARIMETCO
INTERNATIONAL INC.**

Zonia Mine

near Prescott, Arizona, U.S.A.

REVISED PRODUCTION SCHEDULE

<u>Year</u>	<u>Ore Tons</u> (x1000)	<u>%TCu</u>	<u>Lbs</u> (x1000)	<u>Waste Tons</u> (x1000)	<u>Strip</u> <u>Ratio</u>
1	4,585	0.337	30,879	2,134	0.47
2	4,377	0.353	30,909	2,107	0.48
3	4,316	0.358	30,859	2,589	0.60
4	4,023	0.384	30,931	3,625	0.90
5	3,872	0.399	30,908	2,126	0.55
6	3,972	0.389	30,899	1,628	0.41
7	4,531	0.341	30,857	916	0.20
8	4,066	0.380	30,921	324	0.08
<u>9</u>	<u>926</u>	<u>0.378</u>	<u>6,991</u>	<u>10</u>	<u>0.01</u>
Total	34,668	0.366	254,154	15,459	0.45



ARIMETCO
INTERNATIONAL INC.

Zonia Mine

near Prescott, Arizona, U.S.A.

ZONIA MASS BALANCE

Ore Mined / Week (Tons)		83,000
Grade		0.37%
Contained Copper (LBS)		607,560
Recovery		70%
Daily Leach Production		60,756
Leach Cycle (weeks)		6
Lift Height (Ft)		15
Irrigation Rate (GPM/sq.ft)		0.004
Wobbler Flow/Spacing	7	42
Avg. Net PLS Grade (GPL)		1.91
Flow Rate		2656
Crushing Hours / Week		120
Crusher Availability		80%
Crusher Throughput (TPH)		865
Stack Grade		0.13
Total Prod	93% Rec.	60,517
Actual Plant Feed Grade		2.04
Active Leach Pad		664,000
Cure Acid Consumption		1245
Cycle Time (Min)		20
Trucks Required		4.07
TOTAL PRODUCTION (PPD)		60,517

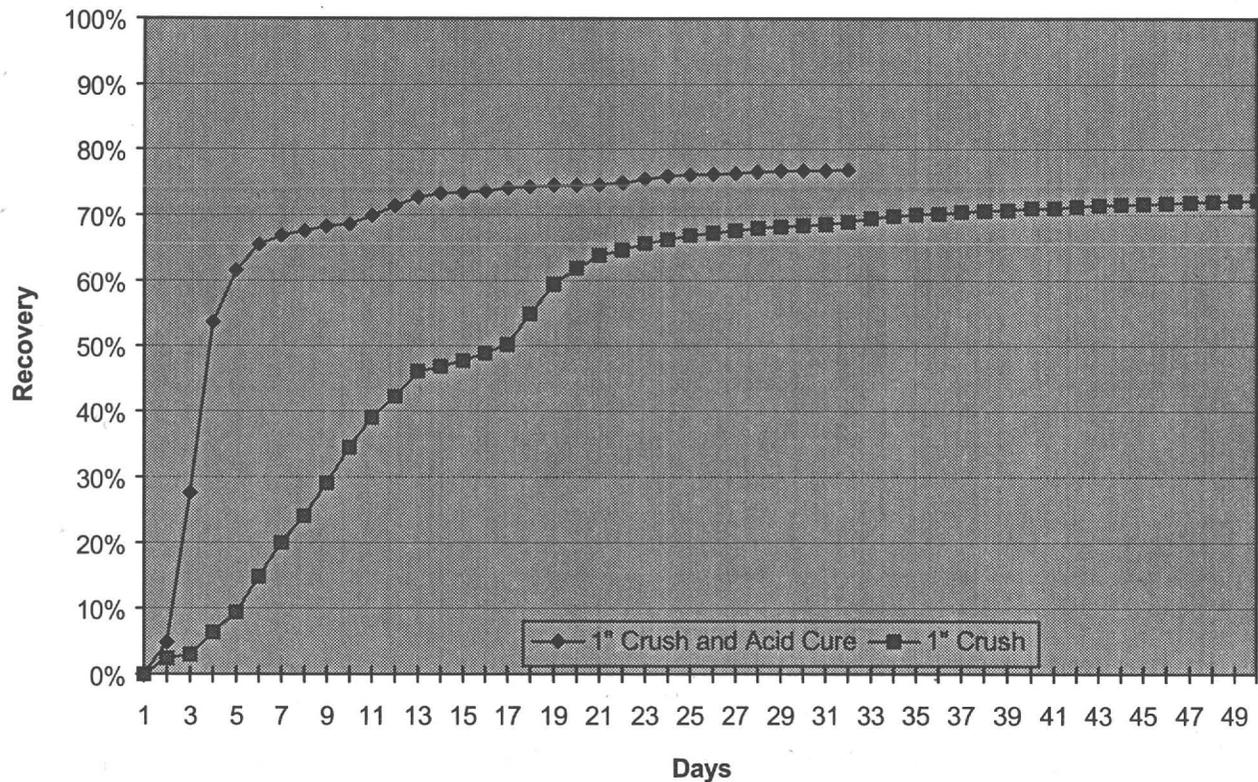


**ARIMETCO
INTERNATIONAL INC.**

Zonia Mine

near Prescott, Arizona, U.S.A.

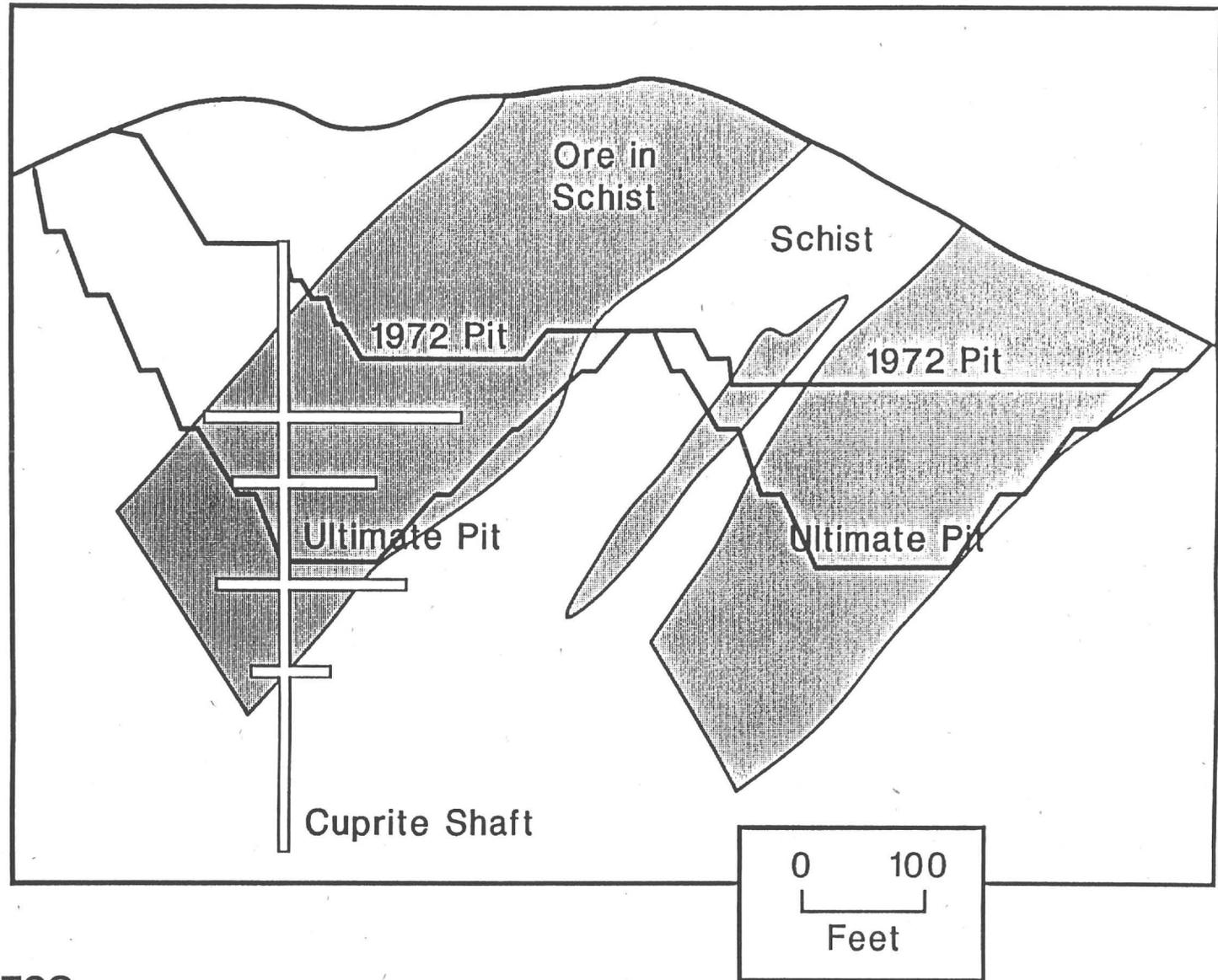
Zonia Recovery Curves



**ARIMETCO
INTERNATIONAL INC.**

Zonia Project

Cross Section Looking North



ARIMETCO
INTERNATIONAL INC.

Emerald Isle Mine

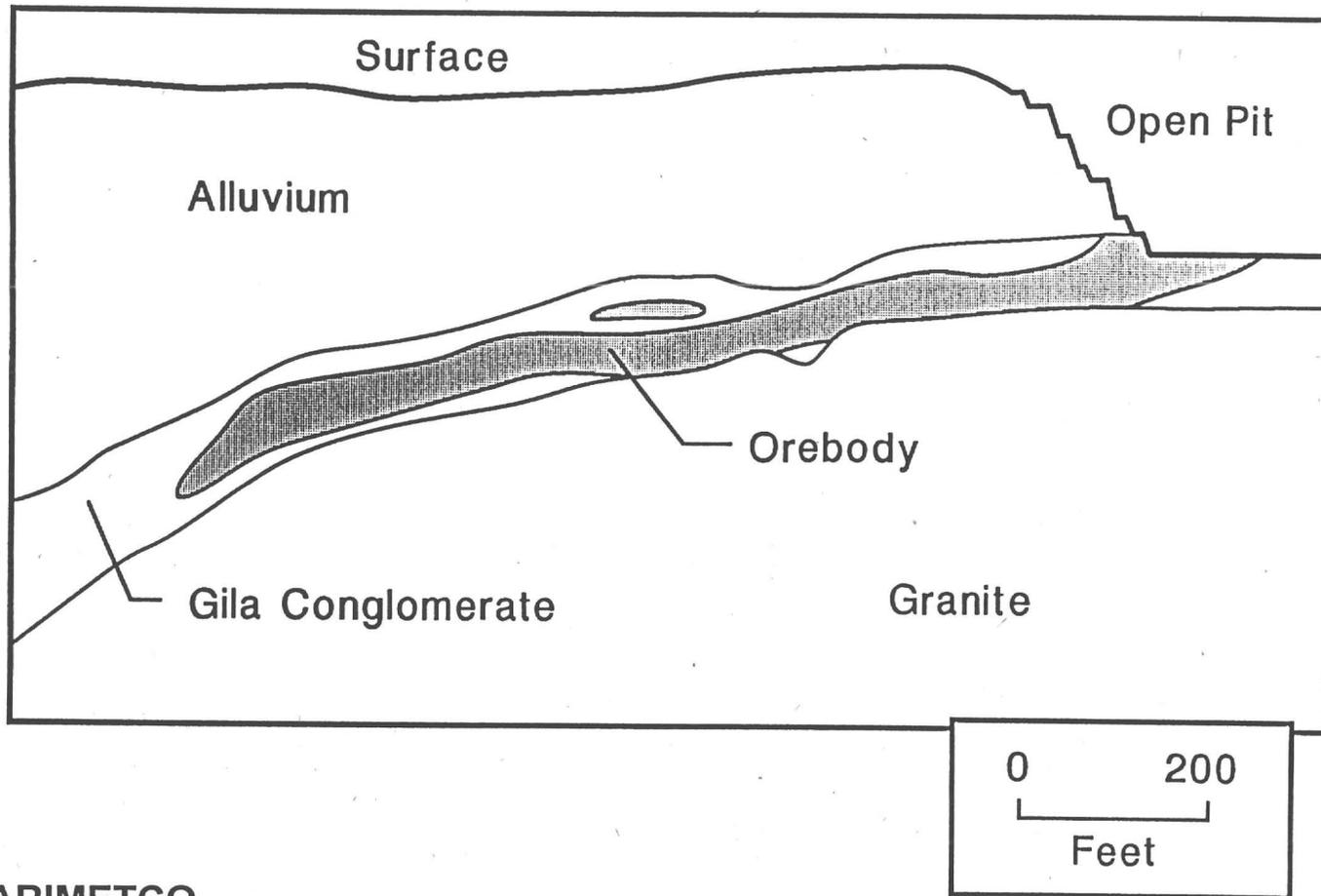
Kingman, Arizona, U.S.A.

COMMODITY	_____	High Grade Electrowon/Cathode Copper
OWNERSHIP	_____	100% Arimetco
DEPOSIT TYPE	_____	Exotic oxide copper in conglomerate
GEOLOGICAL RESERVE	_____	2.6 million tons @ 0.51% Cu (Pit)
(Proven, probable & possible)		1.2 million tons @ 0.22% Cu (Tailings)
TOTAL RECOVERABLE METAL	_____	22.3 million lbs @ 70% recovery
PROJECT STATUS	_____	The project was placed on care and maintenance in 1993 due to low copper prices. An in-house feasibility study is underway to evaluate the project economics at a higher production rate of 12,000 ppd. The higher production rate will decrease copper price sensitivity.
MINING METHOD	_____	Open pit heap leach.



**ARIMETCO
INTERNATIONAL INC.**

Emerald Isle Schematic Cross-Section



**ARIMETCO
INTERNATIONAL INC.**

PROJECT NAME:
PROJECT MANAGER/COORDINATOR:
PROJECT STATUS:
Date of Report:

Zonia Mine, Prescott, Az
M. Henry Shipes
Pre-Development
9/23/96

ASSUMPTIONS:

General:

Model assumes permit resolution and construction will last through 1999. Plant will be at full production by start of 2000.
Model life after production commences is 8 years.
Plant production is 60,000 ppd for the life of the model.
Average operating cost for this model is \$0.55 per lb of copper produced.
Acid consumption of 6lbs/lb of copper was utilized.
Power cost of \$0.099 per lb of copper was utilized.

Capital:

Capital costs are taken from the Western States Feasibility Study.

PROJECT NAME: Zonia Mine, Prescott, Az
 PROJECT MANAGER/COORDINATOR:
 PROJECT STATUS: Pre-Development
 Date of Report: 9/23/96

		1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Model Parameters											
Copper Price	US \$\$	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Plant Production/Year	LBS x 1000	0	0	0	21,900	21,900	21,900	21,900	21,900	21,900	21,900
Plant Production/PPD	LBS x 1000	0	0	0	60	60	60	60	60	60	60
Mine Production (Ore & Waste)	Tons x 1000	0	0	0	8,527	8,527	6,977	5,903	5,685	4,368	4,368

Cash Flow Worksheet											
Net Revenue		\$0	\$0	\$0	\$20,915	\$20,915	\$20,915	\$20,915	\$20,915	\$20,915	\$20,915
Operating Cost		\$0	\$0	\$0	\$12,340	\$12,340	\$12,131	\$11,986	\$11,956	\$11,100	\$11,100
Severance Tax		\$0	\$0	\$0	\$369	\$369	\$367	\$365	\$364	\$351	\$351
Total Expense		\$0	\$0	\$0	\$12,709	\$12,709	\$12,497	\$12,350	\$12,321	\$11,452	\$11,452
Gross Profit		\$0	\$0	\$0	\$8,205	\$8,205	\$8,417	\$8,564	\$8,594	\$9,463	\$9,463
Book Depreciation		\$0	\$0	\$0	\$1,442	\$1,735	\$2,404	\$2,926	\$3,609	\$4,100	\$4,088
Income Tax - Federal		\$0	\$0	\$0	\$1,200	\$1,188	\$1,174	\$1,199	\$1,171	\$1,331	\$1,331
Income Tax - Az State		\$0	\$0	\$0	\$692	\$692	\$710	\$722	\$725	\$798	\$798
Net Profit (Loss)		\$0	\$0	\$0	\$4,871	\$4,590	\$4,130	\$3,717	\$3,089	\$3,233	\$3,246
Pre CapEx Cash Flow		\$0	\$0	\$0	\$6,313	\$6,325	\$6,534	\$6,643	\$6,698	\$7,334	\$7,334
Capital Expenditure		\$0	\$0	\$10,082	\$1,761	\$3,344	\$2,088	\$2,049	\$983	\$958	\$958
Working Capital		\$0	\$0	\$985	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reclamation Cost Sinking Fund		\$0	\$0	\$53	\$53	\$53	\$53	\$53	\$53	\$53	\$53
Cash Flow (Depr Added Back, Prior to Debt Service)		\$0	\$0	(\$11,120)	\$4,499	\$2,928	\$4,393	\$4,541	\$5,662	\$6,323	\$6,323
Corporate Financing		\$0	\$0	\$11,120	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Repayment of Corporate Financing		\$0	\$0	\$0	\$4,499	\$2,928	\$3,693	\$0	\$0	\$0	\$0
Cash Flow after Debt Service		\$0	\$0	\$0	\$0	\$0	\$700	\$4,541	\$5,662	\$6,323	\$6,323
Cumulative Cash Position		\$0	\$0	\$0	\$0	\$0	\$700	\$5,241	\$10,903	\$17,225	\$23,548

NPV 10% \$12,702
 NPV 15% \$8,580
 NPV 20% \$5,916

PROJECT NAME: Zonia Mine, Prescott, Az
 PROJECT MANAGER/COORDINATOR:
 PROJECT STATUS: Pre-Development
 Date of Report: 9/23/96

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Corporate Financing										
Cash Flow	\$0	\$0	(\$11,120)	\$4,499	\$2,928	\$4,393	\$4,541	\$5,662	\$6,323	\$6,323
Financing from Holco (Interest Free)	\$0	\$0	\$11,120	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principle Payment	\$0	\$0	\$0	\$4,499	\$2,928	\$3,693	\$0	\$0	\$0	\$0
Balance	\$0	\$0	\$11,120	\$6,621	\$3,693	\$0	\$0	\$0	\$0	\$0

SUPPORT CALCULATIONS FOR CASH FLOWS

Depletion Calculation

Gross Revenue x 15%	\$0	\$0	\$0	\$3,285	\$3,285	\$3,285	\$3,285	\$3,285	\$3,285	\$3,285
Net Income x 50%	\$0	\$0	\$0	\$3,382	\$3,235	\$3,007	\$2,819	\$2,493	\$2,681	\$2,687
Depletion	\$0	\$0	\$0	\$3,285	\$3,235	\$3,007	\$2,819	\$2,493	\$2,681	\$2,687

Depreciation Calculation

Plant & Equipment (Beginning of Year)	\$12									
Capital Expenditures	\$0	\$0	\$10,082	\$1,761	\$3,344	\$2,088	\$2,049	\$983	\$958	\$958
Total	\$21,277	\$12	\$10,082	\$1,761	\$3,344	\$2,088	\$2,049	\$983	\$958	\$958

Depreciation S/L Life of Mine (Book Depreciation)

Depreciation (1996 Capital)	\$8	\$0	\$0	\$0	\$1	\$1	\$1	\$1	\$1	\$1
Depreciation (1997 Capital)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation (1998 Capital)	\$8,642	\$0	\$0	\$0	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440
Depreciation (1999 Capital)	\$1,468	\$0	\$0	\$0	\$0	\$294	\$294	\$294	\$294	\$294
Depreciation (2000 Capital)	\$2,675	\$0	\$0	\$0	\$0	\$0	\$669	\$669	\$669	\$669
Depreciation (2001 Capital)	\$1,566	\$0	\$0	\$0	\$0	\$0	\$0	\$522	\$522	\$522
Depreciation (2002 Capital)	\$1,366	\$0	\$0	\$0	\$0	\$0	\$0	\$683	\$683	\$683
Depreciation (2003 Capital)	\$492	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$492	\$479
Depreciation (2004 Capital)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Depreciation	\$0	\$0	\$0	\$1,442	\$1,735	\$2,404	\$2,926	\$3,609	\$4,100	\$4,088

PROJECT NAME: Zonia Mine, Prescott, Az
 PROJECT MANAGER/COORDINATOR:
 PROJECT STATUS: Pre-Development
 Date of Report: 9/23/96

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Depreciation @ 200%DB - 7 Years										
Depreciation (1996 Capital)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation (1997 Capital)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation (1998 Capital)	\$10,989	\$0	\$0	\$0	\$2,823	\$2,016	\$1,512	\$1,008	\$907	\$907
Depreciation (1999 Capital)	\$1,761	\$0	\$0	\$0	\$0	\$493	\$352	\$264	\$176	\$158
Depreciation (2000 Capital)	\$3,110	\$0	\$0	\$0	\$0	\$0	\$936	\$669	\$502	\$334
Depreciation (2001 Capital)	\$1,942	\$0	\$0	\$0	\$0	\$0	\$585	\$418	\$313	\$313
Depreciation (2002 Capital)	\$1,803	\$0	\$0	\$0	\$0	\$0	\$0	\$574	\$410	\$410
Depreciation (2003 Capital)	\$826	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$275	\$275
Depreciation (2004 Capital)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Depreciation	\$0	\$0	\$0	\$2,823	\$2,509	\$2,801	\$2,526	\$2,576	\$2,399	\$2,399

Depreciation @ 150%DB - 10 Years

Depreciation (1996 Capital)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation (1997 Capital)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation (1998 Capital)	\$8,469	\$0	\$0	\$0	\$1,512	\$1,311	\$1,109	\$907	\$907	\$907
Depreciation (1999 Capital)	\$1,321	\$0	\$0	\$0	\$0	\$264	\$229	\$194	\$158	\$158
Depreciation (2000 Capital)	\$2,207	\$0	\$0	\$0	\$0	\$0	\$502	\$435	\$368	\$301
Depreciation (2001 Capital)	\$1,274	\$0	\$0	\$0	\$0	\$0	\$0	\$313	\$271	\$230
Depreciation (2002 Capital)	\$1,106	\$0	\$0	\$0	\$0	\$0	\$0	\$307	\$266	\$266
Depreciation (2003 Capital)	\$442	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$147	\$147
Depreciation (2004 Capital)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Depreciation	\$0	\$0	\$0	\$1,512	\$1,575	\$1,840	\$1,849	\$2,013	\$2,010	\$2,010

Income Tax Calculation

Adjusted Gross Revenue	\$0	\$0	\$0	\$20,915	\$20,915	\$20,915	\$20,915	\$20,915	\$20,915	\$20,915
Operating Expense	\$0	\$0	\$0	(\$12,340)	(\$12,340)	(\$12,131)	(\$11,986)	(\$11,956)	(\$11,100)	(\$11,100)
Production Taxes	\$0	\$0	\$0	(\$369)	(\$369)	(\$367)	(\$365)	(\$364)	(\$351)	(\$351)
Gross Profit	\$0	\$0	\$0	\$8,205	\$8,205	\$8,417	\$8,564	\$8,594	\$9,463	\$9,463

PROJECT NAME: Zonia Mine, Prescott, Az
 PROJECT MANAGER/COORDINATOR:
 PROJECT STATUS: Pre-Development
 Date of Report: 9/23/96

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Tax Calculation (Arizona State Tax)										
Gross Profit	\$0	\$0	\$0	\$8,205	\$8,205	\$8,417	\$8,564	\$8,594	\$9,463	\$9,463
9.3% (State Tax Rate)	\$0	\$0	\$0	\$763	\$763	\$783	\$796	\$799	\$880	\$880
Tax Base	\$0	\$0	\$0	\$7,442	\$7,442	\$7,634	\$7,768	\$7,795	\$8,583	\$8,583
Az State Income Tax (9.3% of Tax Base)	\$0	\$0	\$0	\$692	\$692	\$710	\$722	\$725	\$798	\$798
Tax Calculation (Normal Fed Income Tax)										
Gross Profit	\$0	\$0	\$0	\$8,205	\$8,205	\$8,417	\$8,564	\$8,594	\$9,463	\$9,463
State Income Tax	\$0	\$0	\$0	(\$692)	(\$692)	(\$710)	(\$722)	(\$725)	(\$798)	(\$798)
Depletion	\$0	\$0	\$0	(\$3,285)	(\$3,235)	(\$3,007)	(\$2,819)	(\$2,493)	(\$2,681)	(\$2,687)
Depreciation	\$0	\$0	\$0	(\$2,823)	(\$2,509)	(\$2,801)	(\$2,526)	(\$2,576)	(\$2,399)	(\$2,399)
Taxable Income	\$0	\$0	\$0	\$1,405	\$1,769	\$1,900	\$2,497	\$2,800	\$3,585	\$3,579
Fed Tax at 34%	\$0	\$0	\$0	\$478	\$601	\$646	\$849	\$952	\$1,219	\$1,217
Tax Calculation (Alt-Min Tax)										
Gross Profit	\$0	\$0	\$0	\$8,205	\$8,205	\$8,417	\$8,564	\$8,594	\$9,463	\$9,463
State Income Tax	\$0	\$0	\$0	(\$692)	(\$692)	(\$710)	(\$722)	(\$725)	(\$798)	(\$798)
Depreciation	\$0	\$0	\$0	(\$1,512)	(\$1,575)	(\$1,840)	(\$1,849)	(\$2,013)	(\$2,010)	(\$2,010)
Taxable Income	\$0	\$0	\$0	\$6,001	\$5,938	\$5,868	\$5,993	\$5,857	\$6,654	\$6,654
Fed Tax at 20%	\$0	\$0	\$0	\$1,200	\$1,188	\$1,174	\$1,199	\$1,171	\$1,331	\$1,331
Federal Income Tax	\$0	\$0	\$0	\$1,200	\$1,188	\$1,174	\$1,199	\$1,171	\$1,331	\$1,331

PROJECT NAME: Zonia Mine, Prescott, Az
 PROJECT MANAGER/COORDINATOR:
 PROJECT STATUS: Pre-Development
 Date of Report: 9/23/96

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Severance Tax Calculation										
Gross Revenue	\$0	\$0	\$0	\$21,900	\$21,900	\$21,900	\$21,900	\$21,900	\$21,900	\$21,900
Direct Cost	\$0	\$0	\$0	\$986	\$986	\$986	\$986	\$986	\$986	\$986
Net Revenue	\$0	\$0	\$0	\$20,915	\$20,915	\$20,915	\$20,915	\$20,915	\$20,915	\$20,915
Production Expense	\$0	\$0	\$0	\$11,748	\$11,748	\$11,539	\$11,394	\$11,364	\$10,508	\$10,508
SX/EW General Expense	\$0	\$0	\$0	\$3,447	\$3,447	\$3,447	\$3,447	\$3,447	\$3,447	\$3,447
Total Mining Expense	\$0	\$0	\$0	\$8,301	\$8,301	\$8,092	\$7,947	\$7,918	\$7,062	\$7,062
Total Operating Expense	\$0	\$0	\$0	\$12,340	\$12,340	\$12,131	\$11,986	\$11,956	\$11,100	\$11,100
Direct Costs	\$0	\$0	\$0	\$986	\$986	\$986	\$986	\$986	\$986	\$986
Total Operating Cost	\$0	\$0	\$0	\$13,325	\$13,325	\$13,116	\$12,971	\$12,942	\$12,086	\$12,086
Mining Expense	\$0	\$0	\$0	\$8,301	\$8,301	\$8,092	\$7,947	\$7,918	\$7,062	\$7,062
Production Expense	\$0	\$0	\$0	\$11,748	\$11,748	\$11,539	\$11,394	\$11,364	\$10,508	\$10,508
Mining/Production	\$0	\$0	\$0	0.71	0.71	0.70	0.70	0.70	0.67	0.67
Revenue	\$0	\$0	\$0	\$20,915	\$20,915	\$20,915	\$20,915	\$20,915	\$20,915	\$20,915
Taxable (Min/Prod * Reve)	\$0	\$0	\$0	\$14,779	\$14,779	\$14,667	\$14,588	\$14,571	\$14,055	\$14,055
Tax @ 2.5%	\$0	\$0	\$0	\$369	\$369	\$367	\$365	\$364	\$351	\$351

PROJECT MANAGER/COORDINATOR:

PROJECT STATUS:

Date of Report:

Pre-Development

9/23/96

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Direct Costs										
Site Prep			\$50							
Infrastructure			\$54							
Mining Equipment			\$1,000	\$1,000	\$1,000	\$1,000	\$1,000			
Crushing and Agglomeration Plant			\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250
Leach Pads & Ponds			\$500	\$511						
#4 Leach Basin			\$0		\$1,844	\$588	\$549	\$483	\$458	\$458
Solution Management			\$468							
SX Plant			\$637							
Tank Farm			\$712							
EW Plant			\$1,728							
Electrical			\$1,507							
Utilities			\$40							
Truck Shop			\$50							
Fueling Station			\$0							
Acid Storage			\$98							
Reagents (Initial)			\$672							
Repair Parts/Supplies			\$166							
Total Direct Costs	\$0	\$0	\$7,932	\$1,761	\$3,094	\$1,838	\$1,799	\$733	\$708	\$708
Indirect Costs										
Engineering			\$100							
Construction Mgmt & Procurement			\$100							
Training			\$25							
Mobilize/Demobilize			\$50							
Insurance & Freight			\$175							
Total Indirect Cost	\$0	\$0	\$450	\$0	\$0	\$0	\$0	\$0	\$0	\$0

PROJECT MANAGER/COORDINATOR:

PROJECT STATUS:

Date of Report:

Pre-Development

9/23/96

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Other Costs										
Contingency			\$500							
Sustaining Capital	\$0	\$0	\$0	\$0	\$250	\$250	\$250	\$250	\$250	\$250
Total Other Costs	\$0	\$0	\$500	\$0	\$250	\$250	\$250	\$250	\$250	\$250
<u>Total Capital Costs</u>	\$0	\$0	\$8,882	\$1,761	\$3,344	\$2,088	\$2,049	\$983	\$958	\$958
Working Capital			\$985							
Capitalized Development prior to Construction			\$1,200							
Total (less working capital)	\$0	\$0	\$10,082	\$1,761	\$3,344	\$2,088	\$2,049	\$983	\$958	\$958

PROJECT NAME: Zonia Mine, Prescott, Az
 PROJECT MANAGER/COORDINATOR:
 PROJECT STATUS: Pre-Development
 Date of Report: 9/23/96

1997 1998 1999 2000 2001 2002 2003 2004 2005 2006

Revenue & Cost Worksheet

Copper Price	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Plant Production (Cathode Shipped)	0	0	0	21,900	21,900	21,900	21,900	21,900	21,900	21,900	21,900

Revenue Detail

Gross Revenue	\$0	\$0	\$0	\$21,900	\$21,900	\$21,900	\$21,900	\$21,900	\$21,900	\$21,900	\$21,900
Direct Cost of Sales	\$0.045	\$0	\$0	\$986	\$986	\$986	\$986	\$986	\$986	\$986	\$986

Net Revenue \$0 \$0 \$0 \$20,915 \$20,915 \$20,915 \$20,915 \$20,915 \$20,915 \$20,915 \$20,915

Operating Cost Summary

Mining	\$0	\$0	\$0	\$4,261	\$4,261	\$4,052	\$3,907	\$3,877	\$3,022	\$3,022
Crushing	\$0	\$0	\$0	\$1,701	\$1,701	\$1,701	\$1,701	\$1,701	\$1,701	\$1,701
Leaching	\$0	\$0	\$0	\$2,339	\$2,339	\$2,339	\$2,339	\$2,339	\$2,339	\$2,339
SX/EW	\$0	\$0	\$0	\$3,447	\$3,447	\$3,447	\$3,447	\$3,447	\$3,447	\$3,447
Services	\$0	\$0	\$0	\$12	\$12	\$12	\$12	\$12	\$12	\$12
Expl/Devel	\$0	\$0	\$0	\$190	\$190	\$190	\$190	\$190	\$190	\$190
Admin	\$0	\$0	\$0	\$390	\$390	\$390	\$390	\$390	\$390	\$390
Capitalization of Pre-Production Development	\$0									

Total Operating Costs	\$0	\$0	\$0	\$12,340	\$12,340	\$12,131	\$11,986	\$11,956	\$11,100	\$11,100
Total Cost/LB of Copper				\$0.56	\$0.56	\$0.55	\$0.55	\$0.55	\$0.51	\$0.51

Operating Cost Detail

Mining Costs (See MineProd Worksheet for Details)

Supervision	\$0	\$0	\$0	\$123	\$123	\$123	\$123	\$123	\$123	\$123
Labor	\$0	\$0	\$0	\$1,135	\$1,135	\$1,135	\$1,135	\$1,135	\$872	\$872
Fuel	\$0	\$0	\$0	\$963	\$963	\$963	\$963	\$963	\$740	\$740
Tires	\$0	\$0	\$0	\$195	\$195	\$195	\$195	\$195	\$150	\$150
Blasting	\$0	\$0	\$0	\$1,151	\$1,151	\$942	\$797	\$767	\$590	\$590
Parts, Misc	\$0	\$0	\$0	\$634	\$634	\$634	\$634	\$634	\$487	\$487
Drill Hole Assays	\$0	\$0	\$0	\$60	\$60	\$60	\$60	\$60	\$60	\$60

Total	\$0	\$0	\$0	\$4,261	\$4,261	\$4,052	\$3,907	\$3,877	\$3,022	\$3,022
Cost per Ton of Total Material				\$0.50	\$0.50	\$0.58	\$0.66	\$0.68	\$0.69	\$0.69
Cost per LB of Copper				\$0.19	\$0.19	\$0.19	\$0.18	\$0.18	\$0.14	\$0.14
Total Ore & Waste Moved				8,527	8,527	6,977	5,903	5,685	4,368	4,368

PROJECT NAME: Zonia Mine, Prescott, Az
 PROJECT MANAGER/COORDINATOR:
 PROJECT STATUS: Pre-Development
 Date of Report: 9/23/96

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Crushing Costs										
Supervision	\$0	\$0	\$0	\$133	\$133	\$133	\$133	\$133	\$133	\$133
Labor	\$0	\$0	\$0	\$380	\$380	\$380	\$380	\$380	\$380	\$380
Wear Parts	\$0	\$0	\$0	\$252	\$252	\$252	\$252	\$252	\$252	\$252
Spare Parts	\$0	\$0	\$0	\$240	\$240	\$240	\$240	\$240	\$240	\$240
Screens	\$0	\$0	\$0	\$180	\$180	\$180	\$180	\$180	\$180	\$180
Belts	\$0	\$0	\$0	\$120	\$120	\$120	\$120	\$120	\$120	\$120
Lubricants	\$0	\$0	\$0	\$72	\$72	\$72	\$72	\$72	\$72	\$72
Power	\$0	\$0	\$0	\$324	\$324	\$324	\$324	\$324	\$324	\$324
Total	\$0	\$0	\$0	\$1,701	\$1,701	\$1,701	\$1,701	\$1,701	\$1,701	\$1,701

PAD MAINTENANCE/LEACHING OVERHEADS

Hourly Payroll	\$0	\$0	\$0	\$63	\$63	\$63	\$63	\$63	\$63	\$63
Supplies (Tubing, Pipe, etc)	\$0	\$0	\$0	\$45	\$45	\$45	\$45	\$45	\$45	\$45
Sulfuric Acids	\$0	\$0	\$0	\$1,577	\$1,577	\$1,577	\$1,577	\$1,577	\$1,577	\$1,577
Pump Repairs/Parts	\$0	\$0	\$0	\$67	\$67	\$67	\$67	\$67	\$67	\$67
Water (incl pumping costs)	\$0	\$0	\$0	\$46	\$46	\$46	\$46	\$46	\$46	\$46
Electrical Power	\$0	\$0	\$0	\$541	\$541	\$541	\$541	\$541	\$541	\$541
TOTAL LEACHING COSTS		\$0	\$0	\$2,339	\$2,339	\$2,339	\$2,339	\$2,339	\$2,339	\$2,339
Leaching Cost/LB of Copper				\$0.11	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11

Sulfuric Acid

Acid Usage lb/lb of Cu	6	6	6	6	6	6	6	6	6	6
Cost/lb	\$0.0120	\$0.0120	\$0.0120	\$0.0120	\$0.0120	\$0.0120	\$0.0120	\$0.0120	\$0.0120	\$0.0120
Acid Cost per Year x1000	\$0	\$0	\$0	\$1,577	\$1,577	\$1,577	\$1,577	\$1,577	\$1,577	\$1,577

PROJECT NAME: Zonia Mine, Prescott, Az
 PROJECT MANAGER/COORDINATOR:
 PROJECT STATUS: Pre-Development
 Date of Report: 9/23/96

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Leach Pad Manpower										
Personnel Required	0	0	0	3	3	3	3	3	3	3
Avg Rate of Pay/hour	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00
Hours/Month/Person	172	172	172	172	172	172	172	172	172	172
Payroll for Month	\$0	\$0	\$0	\$4,128	\$4,128	\$4,128	\$4,128	\$4,128	\$4,128	\$4,128
Overtime Allowance	5%	\$0	\$0	\$206	\$206	\$206	\$206	\$206	\$206	\$206
Benefit Allowance	23%	\$0	\$0	\$949	\$949	\$949	\$949	\$949	\$949	\$949
Total Leaching Payroll	\$0	\$0	\$0	\$5,284	\$5,284	\$5,284	\$5,284	\$5,284	\$5,284	\$5,284
Total Leaching Payroll per Year x 1000	\$0	\$0	\$0	\$63	\$63	\$63	\$63	\$63	\$63	\$63

SX/EW PLANT

Supervision	\$0	\$0	\$0	\$61	\$61	\$61	\$61	\$61	\$61	\$61
Hourly Payroll	\$0	\$0	\$0	\$419	\$419	\$419	\$419	\$419	\$419	\$419
Lix	\$0	\$0	\$0	\$605	\$605	\$605	\$605	\$605	\$605	\$605
Ion Exchange Solvent	\$0	\$0	\$0	\$140	\$140	\$140	\$140	\$140	\$140	\$140
Other Chemicals	\$500	\$0	\$0	\$6	\$6	\$6	\$6	\$6	\$6	\$6
EW Supplies	\$1,000	\$0	\$0	\$12	\$12	\$12	\$12	\$12	\$12	\$12
Equipment Maint./Repair	\$1,000	\$0	\$0	\$12	\$12	\$12	\$12	\$12	\$12	\$12
Electrical (Entire Site)	\$0	\$0	\$0	\$2,168	\$2,168	\$2,168	\$2,168	\$2,168	\$2,168	\$2,168
Metallurgical Assays	\$1,000	\$0	\$0	\$12	\$12	\$12	\$12	\$12	\$12	\$12
Assay Lab Supplies	\$1,000	\$0	\$0	\$12	\$12	\$12	\$12	\$12	\$12	\$12
TOTAL SX/EW PLANT COSTS	\$0	\$0	\$0	\$3,447	\$3,447	\$3,447	\$3,447	\$3,447	\$3,447	\$3,447
SX/EW Cost /LB of Copper				\$0.16	\$0.16	\$0.16	\$0.16	\$0.16	\$0.16	\$0.16
TOTAL PRODUCTION COSTS	\$0	\$0	\$0	\$10,047	\$10,047	\$9,838	\$9,693	\$9,663	\$8,807	\$8,807
Production Cost/LB of Copper				\$0.46	\$0.46	\$0.45	\$0.44	\$0.44	\$0.40	\$0.40

Electrical (Entire Site)

Power Cost /lb	\$0.099	\$0.099	\$0.099	\$0.099	\$0.099	\$0.099	\$0.099	\$0.099	\$0.099	\$0.099
Total Power Cost per Year x 1000	\$0	\$0	\$0	\$2,168	\$2,168	\$2,168	\$2,168	\$2,168	\$2,168	\$2,168

PROJECT NAME: Zonia Mine, Prescott, Az
 PROJECT MANAGER/COORDINATOR:
 PROJECT STATUS: Pre-Development
 Date of Report: 9/23/96

		1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
SX Reagents											
LIX Use/Mo (Drums)	drums/mo	0	0	0	18	18	18	18	18	18	18
LIX Cost/Drum		\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
Total LIX Cost per Year x 1000		\$0	\$0	\$0	\$605	\$605	\$605	\$605	\$605	\$605	\$605
Solvent Use/Year (gal) x 1000	10,000/mont	0	0	0	120	120	120	120	120	120	120
Solvent Cost/Gal		\$1.17	\$1.17	\$1.17	\$1.17	\$1.17	\$1.17	\$1.17	\$1.17	\$1.17	\$1.17
Total Solvent Cost per Year x 1000		\$0	\$0	\$0	\$140	\$140	\$140	\$140	\$140	\$140	\$140

SX Plant Manpower

Personnel Req'd		0	0	0	8	8	8	8	8	8	8
Avg Rate of Pay/Hour		\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00
Hours/Month/Person		172	172	172	172	172	172	172	172	172	172
Payroll for Month		\$0	\$0	\$0	\$15,136	\$15,136	\$15,136	\$15,136	\$15,136	\$15,136	\$15,136
Overtime Allowance	5%	\$0	\$0	\$0	\$3,481	\$3,481	\$3,481	\$3,481	\$3,481	\$3,481	\$3,481
Benefit Allowance	23%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total SX Plant Payroll per Month		\$0	\$0	\$0	\$18,617	\$18,617	\$18,617	\$18,617	\$18,617	\$18,617	\$18,617
Total SX Plant Payroll per Year x 1000		\$0	\$0	\$0	\$223	\$223	\$223	\$223	\$223	\$223	\$223

EW Plant Manpower

Personnel Required		0	0	0	6	6	6	6	6	6	6
Avg Rate of Pay/hour		\$8.50	\$8.50	\$8.50	\$8.50	\$8.50	\$8.50	\$8.50	\$8.50	\$8.50	\$8.50
Hours/Month/Person		172	172	172	172	172	172	172	172	172	172
Payroll for Month		\$0	\$0	\$0	\$8,772	\$8,772	\$8,772	\$8,772	\$8,772	\$8,772	\$8,772
Overtime Allowance	5%	\$0	\$0	\$0	\$2,018	\$2,018	\$2,018	\$2,018	\$2,018	\$2,018	\$2,018
Benefit Allowance	23%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total SX/EW General Payroll per Month		\$0	\$0	\$0	\$10,790	\$10,790	\$10,790	\$10,790	\$10,790	\$10,790	\$10,790
Total SX/EW General Payroll per Year x 1000		\$0	\$0	\$0	\$129	\$129	\$129	\$129	\$129	\$129	\$129

PROJECT NAME:

Zonia Mine, Prescott, Az

PROJECT MANAGER/COORDINATOR:

PROJECT STATUS:

Pre-Development

Date of Report:

9/23/96

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
SX/EW General Manpower										
Personnel Required	0	0	0	2	2	2	2	2	2	2
Avg Rate of Pay/hour	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00
Hours/Month/Person	172	172	172	172	172	172	172	172	172	172
Payroll for Month	\$0	\$0	\$0	\$4,472	\$4,472	\$4,472	\$4,472	\$4,472	\$4,472	\$4,472
Overtime Allowance	5%	\$0	\$0	\$0	\$1,029	\$1,029	\$1,029	\$1,029	\$1,029	\$1,029
Benefit Allowance	23%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total SX/EW General Payroll per Month	\$0	\$0	\$0	\$5,501	\$5,501	\$5,501	\$5,501	\$5,501	\$5,501	\$5,501
Total SX/EW General Payroll per Year x 1000	\$0	\$0	\$0	\$66	\$66	\$66	\$66	\$66	\$66	\$66

SAFETY SERVICES

Safety Supplies	\$500	\$0	\$0	\$0	\$6	\$6	\$6	\$6	\$6	\$6
Training Allowance	\$500	\$0	\$0	\$0	\$6	\$6	\$6	\$6	\$6	\$6
TOTAL SAFETY SERVICES	\$1,000	\$0	\$0	\$0	\$12	\$12	\$12	\$12	\$12	\$12

MECHANICAL MAINTENANCE

Supervision		\$0	\$0	\$0	\$50	\$50	\$50	\$50	\$50	\$50
Hourly Payroll		\$0	\$0	\$0	\$297	\$297	\$297	\$297	\$297	\$297
Tires/Tubes	\$500	\$0	\$0	\$0	\$6	\$6	\$6	\$6	\$6	\$6
Gasoline	\$500	\$0	\$0	\$0	\$6	\$6	\$6	\$6	\$6	\$6
Diesel	\$1,000	\$0	\$0	\$0	\$12	\$12	\$12	\$12	\$12	\$12
Lubricants	\$1,000	\$0	\$0	\$0	\$12	\$12	\$12	\$12	\$12	\$12
Tools	\$500	\$0	\$0	\$0	\$6	\$6	\$6	\$6	\$6	\$6
Filters	\$1,000	\$0	\$0	\$0	\$12	\$12	\$12	\$12	\$12	\$12
Mobile Equipment Supplies	\$500	\$0	\$0	\$0	\$6	\$6	\$6	\$6	\$6	\$6
Parts and Components Vehicles	\$500	\$0	\$0	\$0	\$6	\$6	\$6	\$6	\$6	\$6
Equipment Maint./Repair	\$1,500	\$0	\$0	\$0	\$18	\$18	\$18	\$18	\$18	\$18
TOTAL MECHANICAL MAINTENANCE		\$0	\$0	\$0	\$431	\$431	\$431	\$431	\$431	\$431

PROJECT NAME: Zonia Mine, Prescott, Az
 PROJECT MANAGER/COORDINATOR:
 PROJECT STATUS: Pre-Development
 Date of Report: 9/23/96

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
ELECTRICAL MAINTENANCE											
Hourly Labor		\$0	\$0	\$0	\$66	\$66	\$66	\$66	\$66	\$66	\$66
Electrical Material	\$1,000	\$0	\$0	\$0	\$12	\$12	\$12	\$12	\$12	\$12	\$12
TOTAL ELECTRICAL MAINTENANCE		\$0	\$0	\$0	\$78	\$78	\$78	\$78	\$78	\$78	\$78
TOTAL SERVICES COSTS		\$0	\$0	\$0	\$521	\$521	\$521	\$521	\$521	\$521	\$521
Services Cost/LB of Copper		\$0.00	\$0.00	\$0.00	\$521.42	\$521.42	\$521.42	\$521.42	\$521.42	\$521.42	\$521.42

Mechanical Maint Manpower

Personnel Required		0	0	0	9	9	9	9	9	9	9
Avg Rate of Pay/hour		\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00
Hours/Month/Person		172	172	172	172	172	172	172	172	172	172
Payroll for Month		\$0	\$0	\$0	\$20,124	\$20,124	\$20,124	\$20,124	\$20,124	\$20,124	\$20,124
Overtime Allowance	5%	\$0	\$0	\$0	\$4,629	\$4,629	\$4,629	\$4,629	\$4,629	\$4,629	\$4,629
Benefit Allowance	23%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tot Mech Maint Payroll per Month		\$0	\$0	\$0	\$24,753	\$24,753	\$24,753	\$24,753	\$24,753	\$24,753	\$24,753
Tot Mech Maint Payroll per Year x 1000		\$0	\$0	\$0	\$297	\$297	\$297	\$297	\$297	\$297	\$297

Electrical Maint Manpower

Personnel Required		0	0	0	2	2	2	2	2	2	2
Avg Rate of Pay/hour		\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00
Hours/Month/Person		173	173	173	173	173	173	173	173	173	173
Payroll for Month		\$0	\$0	\$0	\$4,498	\$4,498	\$4,498	\$4,498	\$4,498	\$4,498	\$4,498
Overtime Allowance	5%	\$0	\$0	\$0	\$1,035	\$1,035	\$1,035	\$1,035	\$1,035	\$1,035	\$1,035
Benefit Allowance	23%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tot Elec Maint Payroll per Month		\$0	\$0	\$0	\$5,533	\$5,533	\$5,533	\$5,533	\$5,533	\$5,533	\$5,533
Tot Elec Maint Payroll per Year x 1000		\$0	\$0	\$0	\$66	\$66	\$66	\$66	\$66	\$66	\$66

PROJECT NAME: Zonia Mine, Prescott, Az
 PROJECT MANAGER/COORDINATOR:
 PROJECT STATUS: Pre-Development
 Date of Report: 9/23/96

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
EXPLORATION/DEVELOPMENT COSTS										
General Explor/Development	\$0	\$0	\$0	\$60	\$60	\$60	\$60	\$60	\$60	\$60
Enviornmental	\$0	\$0	\$0	\$40	\$40	\$40	\$40	\$40	\$40	\$40
Geologist Salary (incl burdens)	\$0	\$0	\$0	\$40	\$40	\$40	\$40	\$40	\$40	\$40
Surveyor Salary (incl burdens)	\$0	\$0	\$0	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Total Exploration/Development Cost	\$0	\$0	\$0	\$190						
Total Expl/Devel Cost/LB of Copper	\$0.00	#DIV/0!	#DIV/0!	\$0.01						

GENERAL ADMINISTRATION

Supervision	\$0	\$0	\$0	\$133	\$133	\$133	\$133	\$133	\$133	\$133
Hourly Payroll	\$0	\$0	\$0	\$24	\$24	\$24	\$24	\$24	\$24	\$24
Taxes/Licenses	\$0	\$0	\$0	\$24	\$24	\$24	\$24	\$24	\$24	\$24
Misc Admin Costs	\$0	\$0	\$0	\$209	\$209	\$209	\$209	\$209	\$209	\$209
Total Admin Costs		\$0	\$0	\$390						
Total Admin Cost/LB of Copper		#DIV/0!	#DIV/0!	\$0.02						

Admin Manpower

Hourly Personnel Required	0	0	0	1	1	1	1	1	1	1
Avg Rate of Pay/hour	\$9.50	\$9.50	\$9.50	\$9.50	\$9.50	\$9.50	\$9.50	\$9.50	\$9.50	\$9.50
Hours/Month/Person	173	173	173	173	173	173	173	173	173	173
Hourly Payroll for Month	\$0	\$0	\$0	\$1,644	\$1,644	\$1,644	\$1,644	\$1,644	\$1,644	\$1,644
Overtime Allowance	5%	\$0	\$0	\$378	\$378	\$378	\$378	\$378	\$378	\$378
Benefit Allowance	23%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Hourly Payroll per Month		\$0	\$0	\$2,022	\$2,022	\$2,022	\$2,022	\$2,022	\$2,022	\$2,022
Total Hourly Payroll per Year x 1000		\$0	\$0	\$24	\$24	\$24	\$24	\$24	\$24	\$24
Salaried Personnel Required	0	0	0	2	2	2	2	2	2	2
Avg Salary/Month/Person	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500
Total Salaried Payroll/Month		\$0	\$0	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000
Benefit Allowance	23%	\$0	\$0	\$2,070	\$2,070	\$2,070	\$2,070	\$2,070	\$2,070	\$2,070
Total Salaried Payroll per Month		\$0	\$0	\$11,070	\$11,070	\$11,070	\$11,070	\$11,070	\$11,070	\$11,070
Total Salaried Payroll per Year x 1000		\$0	\$0	\$133	\$133	\$133	\$133	\$133	\$133	\$133

PROJECT NAME: Zonia Mine, Prescott, Az
 PROJECT MANAGER/COORDINATOR:
 PROJECT STATUS: Pre-Development
 Date of Report: 9/23/96

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Mine Production Calculations										
Total Mined/Year x1000	0	0	0	8,527	8,527	6,977	5,903	5,685	4,368	4,368
Waste Mined/Year	0	0	0	3,198	4,039	2,476	1,717	947	324	324
Ore Mined per Year x1000	0	0	0	5,330	4,488	4,501	4,187	4,737	4,044	4,044

Mine Production Schedule										
Ore Tons	33,725			4,585	4,377	4,316	4,023	3,872	3,972	4,531
%Total Cu		0.337%		0.337%	0.353%	0.358%	0.384%	0.399%	0.389%	0.341%
Waste Tons	15,449			2,134	2,107	2,589	3,625	2,126	1,628	916
Total Tons				6,719	6,484	6,905	7,648	5,998	5,600	5,447

MINING										
Hours/Shift	0	0	0	8	8	8	8	8	8	8
Shifts/Day	0	0	0	3	3	3	3	3	2	2
Shifts/Month	0	0	0	66	66	66	66	66	51	51
Workdays/Month	22	22	22	22	22	22	22	22	22	22
Total Days/Month	31	31	31	31	31	31	31	31	31	31
Trucks/Shift	0	0	0	5	5	5	5	5	5	5
Loaders/Shift	1	2	2	2	2	2	2	2	2	2
Ancillary	1	3	3	3	3	3	3	3	3	3
Truck Capacity (tons)	85	85	85	85	85	85	85	85	85	85
Cycle Time (min)	12	16	12	18	18	22	26	27	27	27
Loads/hour/truck	4.9	3.7	4.9	3.3	3.3	2.7	2.3	2.2	2.2	2.2
Loads/shift	0.0	0.0	0.0	133.3	133.3	109.1	92.3	88.9	88.9	88.9
Tonnage/shift	0	0	0	11,333	11,333	9,273	7,846	7,556	7,556	7,556
Tonnage/Day	0	0	0	34,000	34,000	27,818	23,538	22,667	17,416	17,416
Tonnage/Month	0	0	0	748,000	748,000	612,000	517,846	498,667	383,142	383,142
Total Tonnage/Year x1000	0	0	0	8,976	8,976	7,344	6,214	5,984	4,598	4,598
Availability 95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Tonnage x Availability	0	0	0	8,527	8,527	6,977	5,903	5,685	4,368	4,368

Strip Ratio

Waste	0.47	0.47	0.48	0.6	0.9	0.55	0.41	0.2	0.08	0.08
Ore	1	1	1	1	1	1	1	1	1	1
Total	1.47	1.47	1.48	1.6	1.9	1.55	1.41	1.2	1.08	1.08
Ratio (as % of w/o)	32%	32%	32%	38%	47%	35%	29%	17%	7%	7%
Total Material	0	0	0	8,527	8,527	6,977	5,903	5,685	4,368	4,368
Waste	0	0	0	3,198	4,039	2,476	1,717	947	324	324

Blasting Costs

per ton of material	\$0.135	\$0.135	\$0.135	\$0.135	\$0.135	\$0.135	\$0.135	\$0.135	\$0.135	\$0.135
Total Material	0	0	0	8,527	8,527	6,977	5,903	5,685	4,368	4,368
Blasting Cost per Year x 1000	\$0	\$0	\$0	\$1,151	\$1,151	\$942	\$797	\$767	\$590	\$590

FUEL USAGE

Trucks (gal/hr/truck)	20	20	20	20	20	20	20	20	20	20
Total Gal/Month-Trucks	0	0	0	52,800	52,800	52,800	52,800	52,800	40,568	40,568
Loaders (gal/hr/loader)	20	20	20	20	20	20	20	20	20	20
Total Gal/Month-Loader	0	0	0	21,120	21,120	21,120	21,120	21,120	16,227	16,227
Ancillary (gal/hr)	20	20	20	20	20	20	20	20	20	20
Total Gal/Month-Ancillary	0	0	0	31,680	31,680	31,680	31,680	31,680	24,341	24,341
Total Fuel Usage	0	0	0	105,600	105,600	105,600	105,600	105,600	81,136	81,136
Fuel Price/Gal	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80
Total Fuel Cost	\$0	\$0	\$0	\$84,480	\$84,480	\$84,480	\$84,480	\$84,480	\$64,909	\$64,909
Availability Factor 95%	\$0	\$0	\$0	\$80,256	\$80,256	\$80,256	\$80,256	\$80,256	\$61,663	\$61,663
Total Fuel Cost per Year x 1000	\$0	\$0	\$0	\$963	\$963	\$963	\$963	\$963	\$740	\$740

Mining Payroll

Total Hrs/Month	0	0	0	5,280	5,280	5,280	5,280	5,280	4,057	4,057
Avg Rate of Pay/Hour	\$12.00	\$14.00	\$14.00	\$14.00	\$14.00	\$14.00	\$14.00	\$14.00	\$14.00	\$14.00
Payroll/Month	\$0	\$0	\$0	\$73,920	\$73,920	\$73,920	\$73,920	\$73,920	\$56,795	\$56,795
Benefit Allowance 23%	\$0	\$0	\$0	\$17,002	\$17,002	\$17,002	\$17,002	\$17,002	\$13,063	\$13,063
Overtime Allowance 5%	\$0	\$0	\$0	\$3,696	\$3,696	\$3,696	\$3,696	\$3,696	\$2,840	\$2,840
Total Payroll Allowance per Month	\$0	\$0	\$0	\$94,618	\$94,618	\$94,618	\$94,618	\$94,618	\$72,698	\$72,698
Total Payroll Allowance per Year x 1000	\$0	\$0	\$0	\$1,135	\$1,135	\$1,135	\$1,135	\$1,135	\$872	\$872

TIRES

Cost per tire	\$4,100	\$4,100	\$4,100	\$4,100	\$4,100	\$4,100	\$4,100	\$4,100	\$4,100	\$4,100
Life (hours)	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Hours used/month	0	0	0	528	528	528	528	528	406	406
Tires/truck	6	6	6	6	6	6	6	6	6	6
Total hrs/month	0	0	0	15,840	15,840	15,840	15,840	15,840	12,170	12,170
Tires used/month	0	0	0	4	4	4	4	4	3	3
Total Tire Cost per Month	\$0	\$0	\$0	\$16,236	\$16,236	\$16,236	\$16,236	\$16,236	\$12,475	\$12,475
Total Tire Cost per Year x 1000	\$0	\$0	\$0	\$195	\$195	\$195	\$195	\$195	\$150	\$150

Mining Costs Summary per Year x 1000

Supervision	\$0	\$0	\$0	\$123	\$123	\$123	\$123	\$123	\$123	\$123
Labor	\$0	\$0	\$0	\$1,135	\$1,135	\$1,135	\$1,135	\$1,135	\$872	\$872
Fuel	\$0	\$0	\$0	\$963	\$963	\$963	\$963	\$963	\$740	\$740
Tires	\$0	\$0	\$0	\$195	\$195	\$195	\$195	\$195	\$150	\$150
Blasting	\$0	\$0	\$0	\$1,151	\$1,151	\$942	\$797	\$767	\$590	\$590
Parts, Misc \$10/hr	\$0	\$0	\$0	\$634	\$634	\$634	\$634	\$634	\$487	\$487
Drill Hole Assays	\$0	\$0	\$0	\$60	\$60	\$60	\$60	\$60	\$60	\$60
Total	\$0	\$0	\$0	\$4,261	\$4,261	\$4,052	\$3,907	\$3,877	\$3,022	\$3,022
Cost per Ton of Total Material Moved				\$0.50	\$0.50	\$0.58	\$0.66	\$0.68	\$0.69	\$0.69
Cost per Ton of Ore				\$0.80	\$0.95	\$0.90	\$0.93	\$0.82	\$0.75	\$0.75

PROJECT NAME:
 PROJECT MANAGER/COORDINATOR:
 PROJECT STATUS:
 Date of Report:

Zonia Mine, Prescott, Az
 Pre-Development
 9/23/96 4:53 PM

1997 1998 1999 2000 2001 2002 2003 2004 2005 2006

RESERVE WORKSHEET

Reserves at beginning of year	tons x 1000	34,668	34,668	34,668	34,668	29,339	24,851	20,349	16,162	11,425	7,381
Ore Grade	% Tot Cu	0.337%	0.000%	0.000%	0.337%	0.353%	0.358%	0.384%	0.399%	0.389%	0.341%
Ore Mined	tons	0	0	0	5,330	4,488	4,501	4,187	4,737	4,044	4,044
Recoverable Copper	70%	0	0	0	25,145	22,180	22,560	22,508	26,463	22,025	19,307
Plant Production		0	0	0	21,900	21,900	21,900	21,900	21,900	21,900	21,900
Surplus copper inventory		0	0	0	3,245	3,524	4,184	4,793	9,355	9,480	6,888