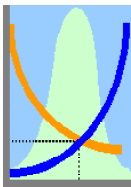


Comparative Review of the Rate of Royalty in the Canada Mining Regulation, as Relates to National and International Competitiveness

A report prepared
under contract for:

**The Mining Association of Canada
and
The Department of Indian Affairs and Northern
Development**
June 12th, 2008



Two Ducks Resources – Analysis

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Comparative Review of the Rate of Royalty in the Canada Mining Regulation, as Relates to National and International Competitiveness

Executive Summary

Background

This study evaluates the financial competitiveness of mining royalty under the Canada Mining Regulation* (CMR) within the comparative context of the fiscal regimes applied to mining elsewhere in Canada, and in selected other mineral producing countries and states that may be considered to be competing with Canada's north for mineral investment.

The CMR royalty was substantially revised 10 years ago, with the expressed objective to modernize it and set the effective royalty rate to be mid-stream competitive amongst regimes in competing jurisdictions within Canada and overseas. There have been substantial changes in the mining activity in the north in the intervening ten years, with the introduction and growth of large scale diamond mines and a retraction in the traditional gold and base metal mines.

Perceptions leading to this study were that the rate of CMR royalty was too high, to the point of being uncompetitive. In particular, the statutory royalty rate, at 13%, was reported to have detrimental impact on mature mines. In addition, the federal government has made agreement with aboriginal groups integral to permitting mines in the North – but the costs of such required impact and benefits agreements (IBAs) are not deductible. Finally, the CMR royalty was seen as being overly complex.

The analysis was initiated to review whether the CMR royalty has maintained the intended competitiveness since that last revision.

Analysis Methodology

This analysis was made by comparing the life-of-mine royalty and taxes on 'type' mines under the CMR royalty and tax regimes of Canada's north, the remainder of Canada and selected international jurisdictions that could be seen as competing with Canada for mineral development investment. While the purpose of the study was to evaluate the comparative competitiveness of the CMR royalty, and it is recognized that mineral royalty is a return to the (government) owners from exploitation of 'owned' minerals, it was considered beneficial to extend this type of analysis to include corporate income and capital taxes as related revenues to the respective governments.

* During the course of this study revisions to the CMR has been implemented. For consistency with common understanding of the regulation, the terms Canada Mining regulation and CMR have been retained throughout. The analysis is current with terms of the newly revised regulation. The regulation as revised is now named the **Northwest Territories and Nunavut Mining Regulations (NT&NMR)**.

The Canadian regimes tested were: Northwest Territories, Nunavut, British Columbia, Alberta (other metals), Saskatchewan (base metals), Manitoba, Ontario (mining tax and diamond royalty), Quebec, New Brunswick, Nova Scotia, Newfoundland and Labrador, Yukon.

The international regimes tested were: USA – Alaska and Nevada, Australia – Western Australia and South Australia, Sweden, South Africa, Namibia, Chile, Peru and Mexico.

The analysis built on two hypothetical type mines:

- a medium sized, base metal mine requiring an initial capital investment of \$400 million; and
- a larger size diamond mine requiring an initial capital investment of \$1,200 million.

The mine types were chosen to reflect the spectrum of typical mine developments for the north, and the spectrum of mine cost structures – base metal mines having relatively complicated processing requirements and costs, including post-mine costs for smelting and refining, while diamond mines have relatively simpler processing requirements and costs but more complex and costly site development requirements.

The cost models were based on an amalgam of data from existing mines, they do not represent individual existing mines. Both mines were set up to have an operating life of 15 years. Each mine model was configured for profitabilities of 10%, 15% and 20% respectively after-royalty-and-tax return on investment for the Northwest Territories, by varying the annual revenues while keeping the costs constant. Then the mine models were subjected to the comparator royalty and tax regimes.

Cost and revenue escalation were built into the model. The mines were subjected to annual royalty and taxes for each regime over the full operating mine life. The analysis optimizes the use of available deductions over the full mine life to the advantage of the companies.

Royalty and tax parameters for the CMR and the comparator regimes were applied as currently legislated*, including future programmed changes, such as the federal income tax rate reduction to 15% by 2012. Annual and life-of-mine cash flows were calculated before and after royalty and taxes. Comparisons of the royalty burden were made on the basis of:

- total, life-of mine royalty, and combined royalty and corporate taxes;
- effective life-of mine royalty and combined tax and royalty rate determined as
 - proportion of before royalty and tax profits;
 - impact to (reduction on) IRR;
 - net cash flow to the mine operator; and
- annual royalty and combined royalty and taxes through the mine life.

* In March 2008, the Yukon Government released a Discussion Paper with proposals to revise royalty provisions of the Quartz Mining Act. The stated rationale for the proposed revisions is to make the QMA royalty more competitive. The proposals remain up for discussion at the time of completing this report. The government's stated timetable is for legislation this Fall (2008) for immediate implementation. Since the proposals represent a significant departure from the current royalty, this analysis incorporates the main government proposals, as an exception to limiting this analysis to legislated rules.

CMR Royalty Basics

The CMR royalty is based on a company's annual profits from mining. It is typical of Canadian mineral royalties, which are mainly profit based, and all of which have some specific peculiarities, often related to embedded incentives. In the case of the CMR, its main characteristics are:

- a stepped ladder of royalty rate –
 - no royalty on the first \$10,000 of annual profits;
 - 5% of annual net profit between \$10,000 and \$5 million;
 - escalating in 1% increments per \$5 million of net profit, to maximum 14% (for net profit above \$45 million);
 - subject to an overall maximum rate on all net profit of 13% (for profit above \$220 million);
- 100% depreciation and exploration & mine development allowance rates, for which eligible costs include costs of negotiating Impact and Benefit Agreements (IBA) with aboriginal peoples, and costs for capital facilities located outside the territories, and which allow eligible expenses to be pooled and carried forward indefinitely;
- offsite exploration on other CMR administered lands deductible in-the-year, to a cap of 10% of net income;
- requires government valuation of diamond production for royalty (under review pending results of the Richter Report);
- processing allowance, to a limit of 65% of royaltyable income;
- operators may selectively apply deductions to –
 - minimize royalty in-the-year; or
 - minimize total royalty over the life-of-the-mine.

Under land claims agreements royalty from crown lands is shared with aboriginal groups in the Northwest Territories and Nunavut. In some cases, mines located on aboriginal lands and subject to aboriginal mineral rights have their administration grandfathered under the CMR.

Profit-Based vs. Revenue-Base Royalties

The CMR, as a profit-based royalty, is typical of Canadian mineral royalties. Some USA states likewise have profit-based royalties. In much of the rest of the mining world, however, including in Australia, royalties are revenue, or ad valorem, based. The profit-based royalties showed generally to be more responsive to ability to pay (profitability) than the revenue-based royalties; the revenue-based royalties provide a more regular and predictable royalty stream to the resource owners.

Summary of Royalty Methodology – Major Metallic and Industrial Minerals

	Canada	International
Revenue based	Nova Scotia	South Australia, Western Australia, Sweden, South Africa, Namibia, Peru
Net Profits based	Yukon, Northwest Territories, Nunavut, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Newfoundland	Alaska, Nevada, Chile
Combination of revenue and profits	British Columbia, Alta, Saskatchewan, New Brunswick, Nova Scotia	Western Australia
Production based (typically for industrial minerals and coal)	Alta, Saskatchewan, Ontario, New Brunswick, Nova Scotia	
<i>Note: jurisdictions appearing more than once on this listing reflects having multiple royalty structures applying to specified minerals</i>		

Analysis Results

Comparison: Statutory Royalty Rates

The following tables summarize the statutory royalty rates in the regimes studied.

Statutory Mineral Royalty Rates Across Canada

<i>Province/Territory</i>	<i>Royalty Rate</i>
CMR (NWT & NT)	stepped scale up to 13% of net profits
British Columbia	2% of net revenue or 13% of net profits
Alberta	1% of net revenue or 12% of net profits
Saskatchewan	3% of net revenue + 10% of net profits
Manitoba	18% of net profits
Ontario	
metals	10% of net profits
diamonds	stepped scale up to 13% of net profits
Quebec	12% of net profits
New Brunswick	2% of net revenue + 16% of net profits
Nova Scotia	2% of net revenue or 15% of net profits
Newfoundland	16% of net profits
Yukon	stepped scale, to 12% of net profits

The CMR top average rate of 13% is mid-range among the profit-based royalties across Canada.

International Statutory Mineral Royalty Rates

Country/State	Royalty Rate
Western Australia metals	5% of net revenue
diamonds	7.5% of net revenue or 22.5% of net profits
South Australia	up to 3.5% of net revenue
Alaska, USA	stepped to 7% of net profits + 3% of net profits
Nevada, USA	5% net profits
Sweden	0.2% of net revenue
South Africa metals	4% of net revenue
diamonds	5% of net revenue
Namibia metals	3% of net revenue
Namibia diamonds	10% of net revenue
Chile	5% of net profits
Peru	stepped to 3% of net revenue
Mexico	none

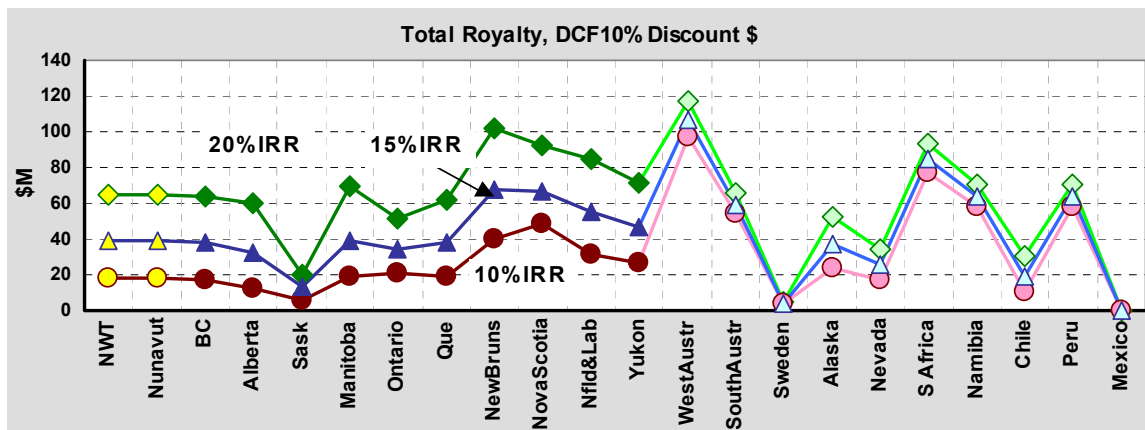
Most of the international regimes have revenue-based royalties, the rates of which are not directly comparable to the CMR royalty based on net profits.

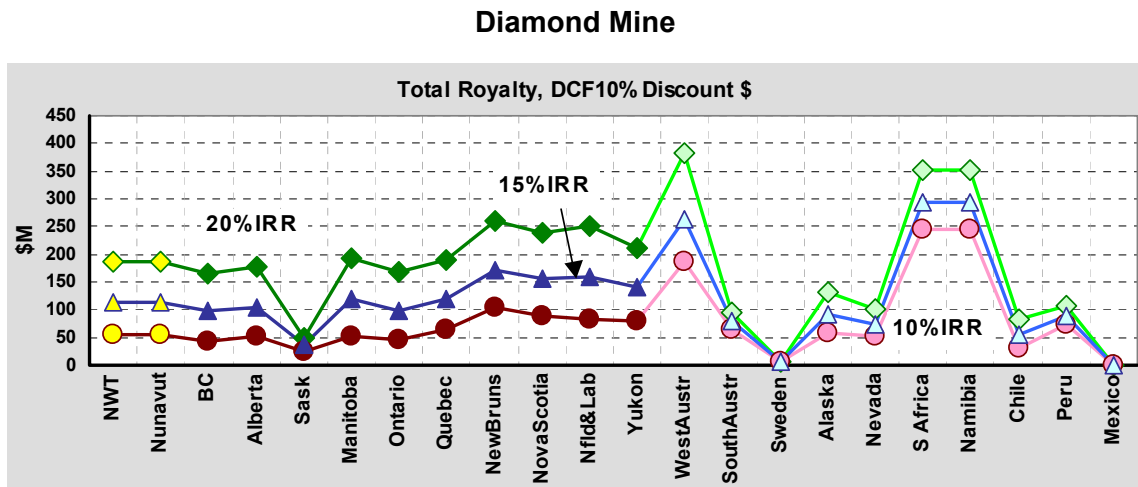
Of the international royalties based on net profits, the CMR rate is mid-range between that for Western Australian at 22.5%, and those for Alaska and Chile at 10% and 5%, respectively.

Comparison: Total, Life-of-mine Royalty

Total, Life-of-mine Royalty: Discounted Cash Flow NPV at 10%

Base Metal Mine





The CMR royalty, as shown for Northwest Territories and Nunavut, is in a central range group of Canadian royalties, close to those for British Columbia (diamonds), Alberta, Manitoba, Ontario, Quebec and Yukon, lower than those for British Columbia (base metals), New Brunswick, Nova Scotia and Newfoundland and higher than those for Saskatchewan. The Saskatchewan royalty is very low as a result of a new mine royalty holiday and the gross-up of initial mine development capital costs for deduction, however, Saskatchewan has a second tier of royalty included as a resource surcharge on capital tax, which is not included in these graphs, but is in the following graphs of combined royalty and taxes.

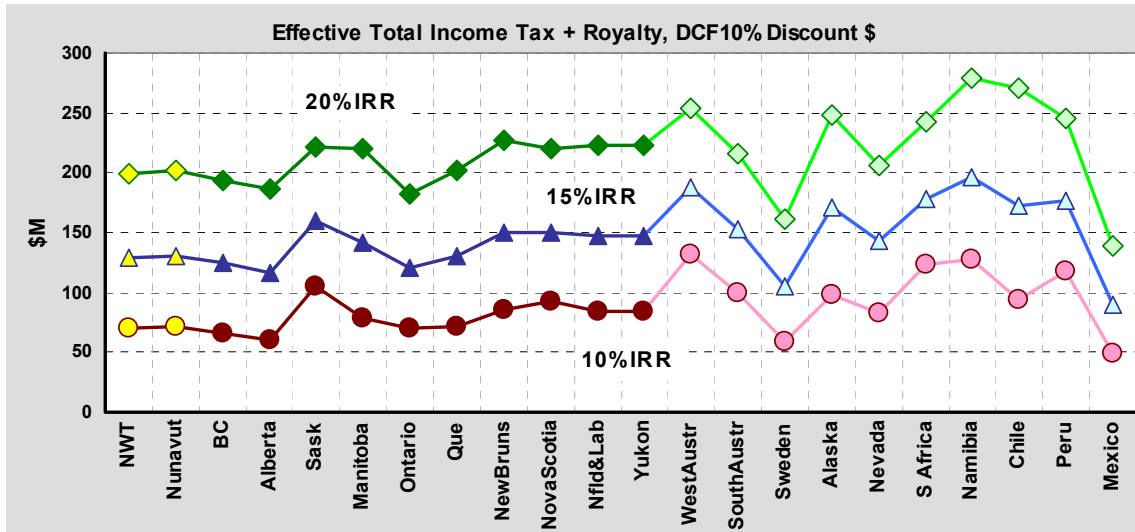
There is significantly greater variation in total royalty and lesser variation between profit levels amongst the international comparators, than within Canada. Most Canadian jurisdictions, including the Northwest Territories and Nunavut (CMR royalty) are in a mid-range as compared with the international results, in a grouping with the USA states and Chile that also use net profit-based royalty methodologies.

A couple of countries, Mexico and Sweden, have no or very low rates of royalty, placing them below Canadian results. The higher royalty-rate countries, Australian states, South Africa, Namibia and Peru, generally have revenue-based royalties, demonstrating also comparatively little difference in royalties between lower and higher profit mines.

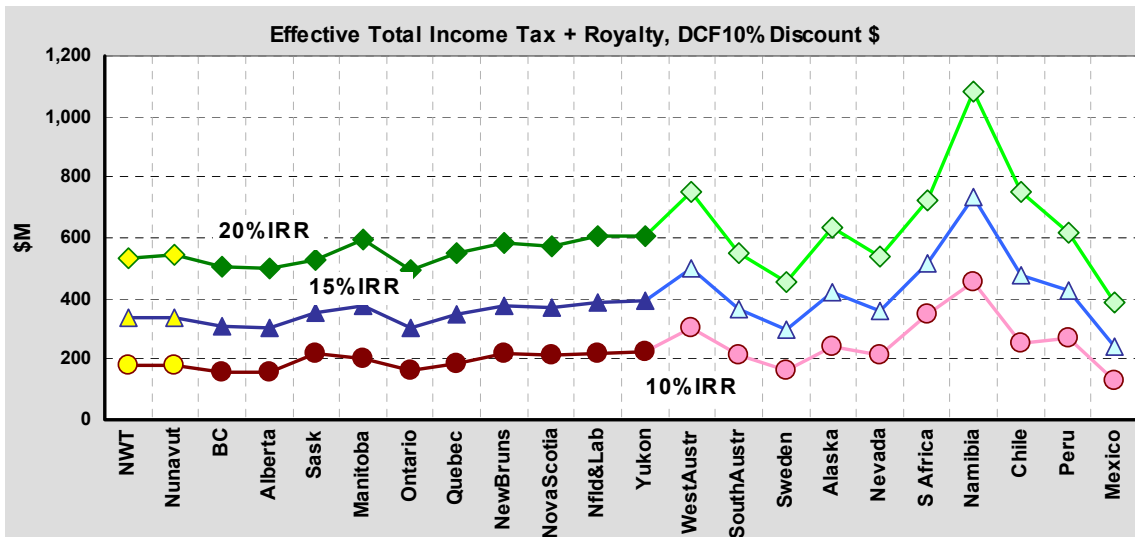
Comparison: Total, Life-of-mine Royalty Plus Taxes

Total, Life-of-mine Royalty + Taxes: Discounted Cash Flow NPV at 10%

Base Metal Mine



Diamond Mine



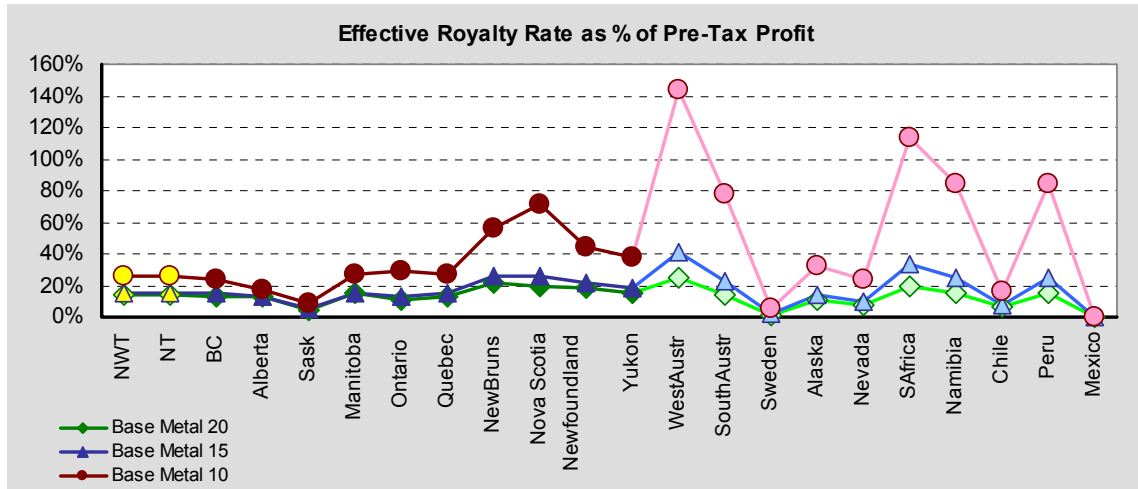
On a combined royalty and taxes basis, most Canadian jurisdictions, including the Northwest Territories and Nunavut (with CMR royalty), remain in a mid-range with the USA states as compared with the international results, higher than in Sweden and Mexico and lower than in Australia, and South American and African countries.

The substantial variation in royalty amongst the international comparators is significantly buffered when total income tax is included. There remains greater variability internationally than within Canada, but it is less pronounced than with just royalty.

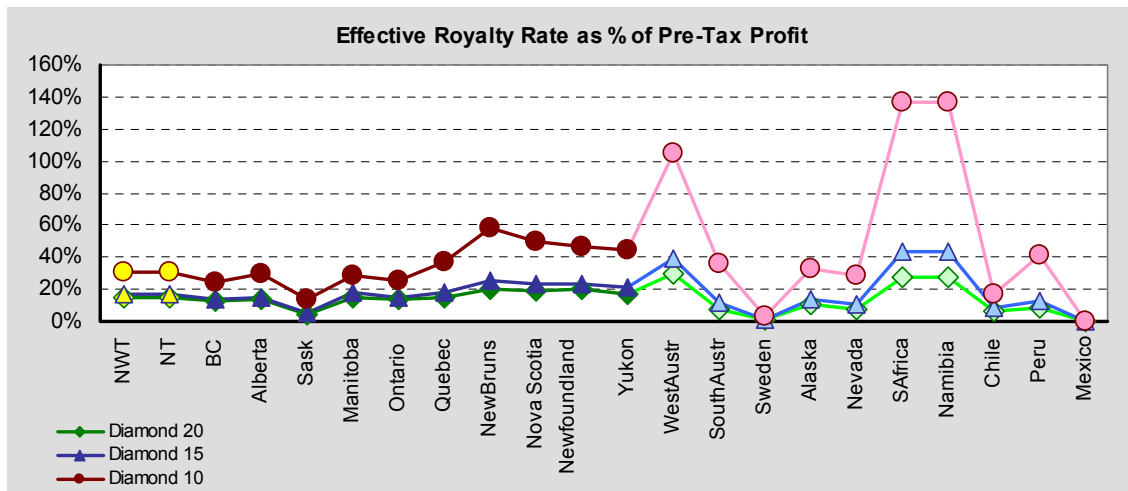
Comparison: Effective Royalty Rates, Impact on Profits

Effective Royalty Rate as % of Pre-tax Profit: Discounted Cash Flow NPV at 10%

Base Metal Mine



Diamond Mine



The effective royalty rate results mirror those shown above for total royalty. Most Canadian jurisdictions, including the Northwest Territories and Nunavut (with CMR royalty), are in a fairly tight mid-range generally with the USA states, as compared with the international results, higher than in Sweden and Mexico and lower than in Australia, and South American and African countries.

The effective royalty rates are generally higher for lower profit mines. This reflects a general inability of lower profit mines to use as effectively the incentives built into the respective royalty measures.

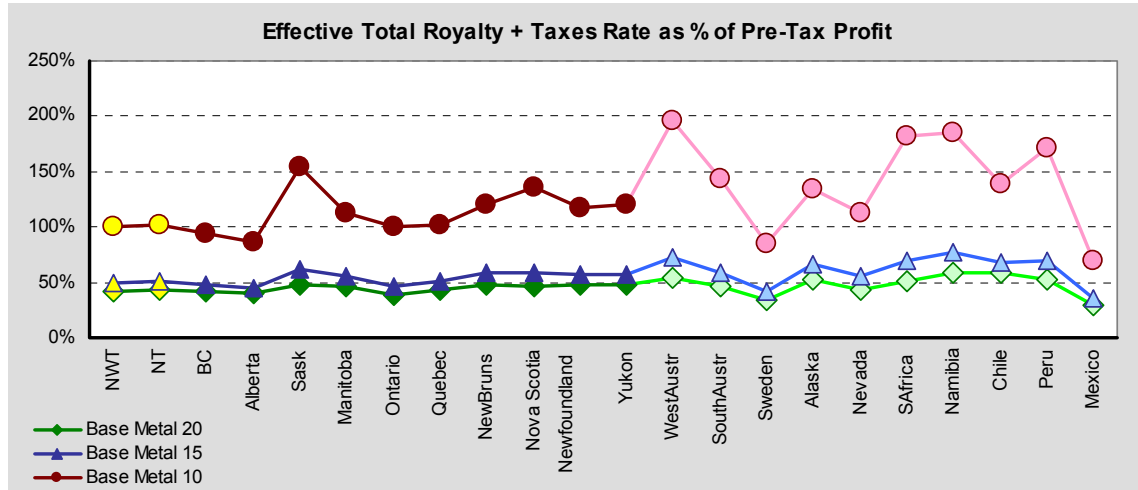
Within the lower profit mine results for both the base metal and diamond mines, the very high effective royalty rate results for Western Australia, South Australia, South Africa, Namibia and Peru show the impact of revenue based royalties when there is little pre-tax

profit. Those royalty rates that are greater than 100% would put the mines into a (discounted cash flow) loss position.

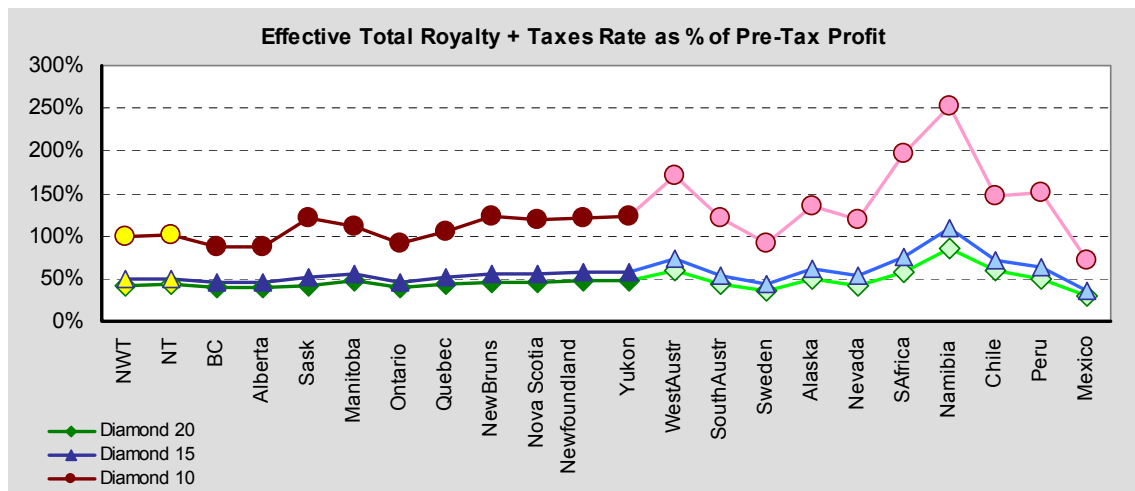
Comparison: Effective Combined Royalty Plus Tax Rates, Impact on Profits

Effective Royalty + Tax Rate as % of Pre-tax Profit: Discounted Cash Flow NPV at 10%

Base Metal Mine



Diamond Mine



The lower profit mine models were configured for a profitability (IRR) of 10% after royalty and taxes for the Northwest Territories regime. At that base profitability, using a 10% discount rate results in an 100% effective royalty plus tax rate for the Northwest Territories model. Those regimes that are lower taxed will show combined total rates less than 100%, as per British Columbia, Alberta, Ontario, Sweden and Mexico. The remaining fiscal regimes studied have combined royalty and tax rates of more than 100% for the lower profit mine models, which would put them into total, life-of-mine, discounted cash flow loss positions.

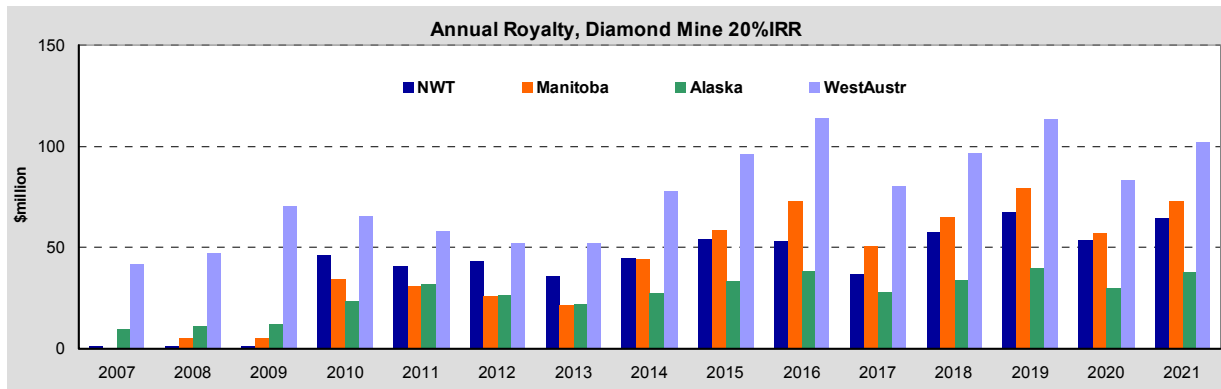
The effective royalty plus tax rate results mirror those shown above for total combined royalty and taxes. Most Canadian jurisdictions, including the Northwest Territories and Nunavut (with CMR royalty), and Saskatchewan (for low profit mines), are in a mid-range generally with the USA states, as compared with the international results, higher than in Sweden and Mexico and lower than in Australia, and South American and African countries.

The effective royalty plus tax rates are higher for lower profit mines. This reflects a general inability of lower profit mines to use effectively some of the incentives built into the respective tax and royalty measures. In some cases, such as the USA, there are minimum corporate taxes that have more significant impact on lower profit mines. In some Canadian provinces (British Columbia, New Brunswick, Nova Scotia), there are effective minimum royalties, through the use of combination royalties having both revenue-based and profit-based components.

Comparison: Effective Onset of Royalty Payments

A small sample of jurisdiction results is shown for annual royalty payments to demonstrate the patterns of differential timing impacts of major royalty methodologies – the Northwest Territories (CMR royalty), Manitoba and Alaska have profit-based royalties, and Western Australia has a revenue-based royalty.

Annual Royalty through the Mine Life



The CMR, Manitoba and Alaska royalties offer the potential to go royalty-free, or almost royalty-free in early operating years while initial investment is recovered, deferring more significant royalties to later years. By contrast, the revenue-based royalty in Western Australia commences with substantial royalty in the first operating year and continues through the mine life, without regard to annual profitability or recovery of initial investment.

Summary Observations

Comparative Assessment of the CMR Royalty

By all measures tested:

- statutory royalty rates;
- total life-of-mine royalty payments for model mines;

- effective royalty plus tax payments;
- effective royalty rates;
- effective royalty plus tax rates;
- timing of onset of royalty payments; and
- net cash flow to the mining company

the CMR royalty rate is competitive within Canada and internationally. That is, it is neither the lowest nor the highest royalty rate, but generally in a middle range of all comparable regimes.

Other Considerations for the CMR Royalty

The CMR royalty, being based on net profits, is complicated, as are all the major mineral royalties across Canada. Profit-based royalties like the CMR are an attempt to achieve complicated goals, and require a certain sophistication; it is the complexities of the sophistication that allow it to remain competitive across a wide spectrum of mine types, sizes and profitabilities.

The relatively high CMR royalty peak average rate, at 13%, is at least partially a result of balancing the cost to government of the front loading of depreciation and mine development deductions through the 100% deductibility rate, while maintaining a competitive life-of-mine royalty. This has impact on mature mines, that have used up the front-loaded mine development deductions, as effective annual rates approaching the statutory rate are applied on operating profits.

The CMR royalty is not levied on top of royalty on freehold mineral rights. In most of the provinces, royalty in the form of mining tax or freehold mineral tax applies, regardless of actual ownership of mineral rights. This provides a competitive advantage to operating under the CMR.

Finally, recent changes have been made to the CMR royalty, addressing key issues raised by the mining industry relating to overlap with aboriginal mineral rights and interests, and location of mine assets and supporting facilities qualifying for inclusion in the deductible capital asset base. These continue a pattern of periodic adjustments by the federal government to respond to changing conditions in the industry.

CMR Royalty in the Context of Broader Trends

Trends in Fiscal Rates

The last major reworking of the CMR royalty provisions was ten years ago. Since then, there have been conflicting trends in fiscal rents charged to resource production.

Within Canada, there has been a trend towards reduced fiscal burden on mining over the period – in mining royalties (reductions in Ontario and Manitoba), corporate income taxes (federal rates reduced from 22% to the current 19.5% on its way down to 15% by 2012) and capital taxes (federal large corporations tax eliminated).

Internationally, the dominant trend in mineral royalties has been towards increased rates, in particular many countries that had no mineral royalties, or only very limited or nominal royalties, then, do now; especially in South America and Africa.

Overall, the CMR royalty has maintained its international competitiveness. The CMR royalty rate has, however, not kept up with the Canadian trend towards lower overall fiscal burdens.

Recommendation: The CMR royalty rate should be reviewed in keeping with the overall trend in Canada towards reducing the fiscal burden on industry, i.e., as a policy direction as opposed to this study which evaluated rate competitiveness.

Trends in Royalty Structure

The need for the mining companies to work with aboriginal people and communities has grown in complexity and cost over the past decade. While there is no legislative requirement for miners to negotiate and fund Impact and Benefit Agreements (IBA) with aboriginal peoples, the federal government has effectively made this a requirement for new project approval and development, especially in the north. The CMR royalty does not recognize IBA payments as deductible in determining royaltyable income.

Both the Ontario government through its new diamond royalty (2007), and the Yukon government through its current proposals to revise the Quartz Mining Act royalty include deductibility of IBA payments under new, community economic development allowance deductions.

Recommendation: The significant aboriginal presence and activity in the north, the effective requirements for IBA, and the increasing demand for funding of IBA, tend to indicate that further consideration should be given to including provisions in the CMR royalty similar to those in the Ontario Diamond Royalty and the Yukon (proposed) Quartz Mining Act royalty.

Comparative Review of the Rate of Royalty in the Canada Mining Regulation, as Relates to National and International Competitiveness

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Comparative Review of the Rate of Royalty in the Canada Mining Regulation, as Relates to National and International Competitiveness

1 Introduction

This study evaluates the financial competitiveness of mining royalty under the Canada Mining Regulation* (CMR), as applied in the Northwest Territories (NWT) and Nunavut Territory (NT), within the comparative context of the fiscal regimes applied to mining elsewhere in Canada, and in selected other mineral producing countries and states that may be considered to be competing with Canada's north for mineral investment.

Perceptions among mining companies, leading to this study, were that the rate of CMR royalty was too high, to the point of being uncompetitive. In particular, the statutory royalty rate, at 13%, was reported to have detrimental impact on mature mines. In addition, the federal government has made agreement with aboriginal groups integral to permitting mines in the North – but the costs of such required impact and benefits agreements (IBA) are not deductible. Finally, the CMR royalty was seen as being overly complex.

The CMR royalty was substantially revised 10 years ago, with the expressed objective to modernize it and set the effective royalty rate to be mid-stream competitive amongst regimes in competing jurisdictions within Canada and overseas. There have been substantial changes in the mining activity in the north in the intervening ten years, with the introduction and growth of large scale diamond mines and a retraction in the traditional gold and base metal mines.

The analysis was initiated jointly by the Mining Association of Canada (MAC) and the federal Department of Indian Affairs and Northern Development (DIAND) to review whether the CMR royalty has maintained the intended competitiveness since that last major revision.

The analysis uses quantitative modelling, comparing projected annual and life-of-mine total royalty and taxes on two hypothetical† 'type' mine models for the CMR royalty and tax regimes of Canada's north, and those applied in the remainder of Canada and in selected international jurisdictions.

The two mine models are representative of a medium scale base metal mine and larger sale diamond mine, respectively. The hypothetical mine financial parameters were adjusted to run at different (higher and lower) profit levels, to investigate the impact of profitability on the base observations. Thus the two mine financial models, each run at

* During the course of this study revisions to the CMR has been implemented. For consistency with common understanding of the regulation, the terms Canada Mining regulation and CMR have been retained throughout. The analysis is current with terms of the newly revised regulation. The regulation as revised is now named the **Northwest Territories and Nunavut Mining Regulations (NT&NMR)**.

† Note: this analysis is based on hypothetical mine financial models. While the models have been configured by blending key financial characteristics of a collection of actual mine data sets, they do not reflect the financial parameters of any specific mine.

the different profitabilities, enabled the evaluation of financial impacts on mine profits of the CMR royalty and those of the comparator tax regimes as may relate to mine size, configuration and profitability.

The comparator fiscal regimes used for testing the competitiveness of the CMR royalty were:

- Canadian – Northwest Territories (CMR), Nunavut (CMR), British Columbia, Alberta (other metals), Saskatchewan (base metals), Manitoba, Ontario (mining tax and diamond royalty), Quebec, New Brunswick, Nova Scotia, Newfoundland and Labrador, Yukon; and
- International – USA – Alaska and Nevada, Australia – Western Australia and South Australia, Sweden, South Africa, Namibia, Chile, Peru and Mexico.

The analysis observations and discussion which follow are illustrated with selected summary output tables and graphs. More detailed results and numeric summaries are presented in Appendices. The appendices also include the interim progress report presentation from the study and peer review comments of the progress report by Dr. Michael Doggett.

The analysis was made by David Gladwin, P.Eng., of Two Ducks Resources Inc.

2 Fundamentals of mineral royalties and taxation

2.1 Ownership Of Resources

Mineral resources in Canada are, for the most part, reserved or owned by the Crown in right of the respective provincial, territorial or federal governments. As such, they fall mainly under provincial or territorial jurisdiction, excepting in the Northwest Territories, Nunavut and some specific federal land reserves where minerals are owned and administered by the federal government.

The governments typically lease or assign mineral rights to exploit mineral resources to developers under set conditions, that usually include requirement for payment of royalty.

Relatively little of Canada's mineral wealth is privately owned (freehold). Most privately owned mineral rights relate to land grants pre-dating 1890. Mineral rights under private ownership have, however, increased in recent years as some comprehensive land claim settlements with aboriginal peoples have included transfer of mineral rights to the respective aboriginal peoples.

2.2 Overall Taxation Framework For Mining

Mining operations in Canada, including those on privately held mineral rights, are subject to taxes levied by both the federal and provincial or territorial governments. Each government, federal, provincial and territorial, imposes its own taxes under systems that vary significantly. The basic framework is described below:

- **Royalty**^{*}, levied by the provincial, Yukon territorial and federal governments, in areas of their respective jurisdiction, usually on net mining profit, but occasionally on mining revenue or production quantity.
- **Income tax**, levied separately by the respective federal, and provincial or territorial governments on taxable corporate income, generally defined as profit, net of operating expenses, allowances for amortization or depreciation of capital assets and, for resource (mining) income, exploration and development costs and, usually, resource taxes and royalties; with variation in specific deductions or allowed rates of deduction with respect to the source of income.
- **Capital tax**, levied separately by some provincial governments on invested capital, above defined thresholds (the federal government has recently phased out its capital tax).

There are inter-relationships amongst the different taxes, such as crown royalty deductions allowed in calculation of federal and provincial/territorial income tax. Federal income tax also provides relief for provincial income tax through a (provincial) tax abatement allowance.

The fiscal characterization in this commentary focuses on crown royalty, and also covers corporate income taxes.

Other fiscal measures that may be imposed on mining projects include commodity and payroll taxes, municipal taxes and levies, user fees, resource and land rents, and other mandated costs. This analysis does not address these additional costs.

Also, mine production may be subject to private resource royalties, depending on ownership of sub-surface rights from which mineral production is derived. The hypothetical mine models for this analysis include some private royalties, which are included in the tax calculations for the fiscal regimes.

2.3 Royalty Basics

Royalty is derived from an historic concept of production reservation to the crown within a regalian system of mineral rights. It is termed variously mining, mineral, petroleum or resource royalty, tax or duty. In this report, the term royalty is used in a broad sense to include also the various alternate forms of government resource royalty or tax.

Royalty on mineral production is, therefore, a share of production reserved by the owner of mineral rights for permitting exploitation of those minerals. In the Canadian sense,

* For simplicity of presentation, this report will use the term 'royalty' broadly to represent both government or crown mineral royalty and mineral or mining or resource tax or duty. It is recognized that there can be differences between 'royalty' and 'mining tax' but, for the purposes of this analysis of comparative competitiveness, general use of the term 'royalty' suffices. Note that royalty on hard minerals (metallic and industrial) are often determined on a significantly different basis than those on petroleum, oil and gas. This analysis is limited to comparative analysis of hard mineral royalties.

most provinces and territories collect royalty as a share of the value of production – they do not take royalty in kind.

Also, recognizing that royalty is a return to the owner of mineral rights, there are areas of private, or freehold, mineral ownership in Canada for which the private owner levies royalty. CMR royalty is not levied in the areas of freehold mineral rights. However, some provinces do levy mining tax on production from privately held, or freehold, mineral rights in addition to any private rights-owner royalties. This is one of the subtle differences between royalty and a mining tax.

2.4 Basic Approaches to Royalty

Royalty is typically levied on the basis of:

- resource revenue; or
- net resource profit; or
- a combination of the resource revenue and net resource profit; or
- production quantities.

Royalty based on resource revenue, net resource revenue or another ad valorem determination is usually determined as a percentage of revenue at the mine, less specified off-site, post-production expenses such as transportation or treatment (smelting and refining) charges, and occasionally net of mine operating costs. It is sometimes based on an imputed valuation of the market value of contained valuable constituents, without reference to actual proceeds or costs. No Canadian province or territory levies royalty on major minerals or metals solely on the basis of resource revenue, however, this methodology is commonly applied in other countries, such as, for this analysis, Australia and South Africa.

Royalty based on net resource profit is usually determined as a percentage of profit, net of off-site, post-production expenses such as transportation or smelting and refining charges, and net of on-site expenses such as operating costs, amortization or depreciation on capital assets, exploration and development costs. Most Canadian government royalty regimes, including the CMR, levy net-profits-based royalties.

Governmental resource profit-based royalties often include incentives to encourage the substantial capital investments necessary for mine development. This is often provided through tax holidays, or allowance of accelerated rates of depreciation or amortization of pre-production capital costs for mine assets, exploration and development for new mines. These are typically expected to allow recovery of initial capital investment before royalty becomes due. In some cases, an additional deduction of processing allowance is made to effect proportional allocation of the net profit between mining and processing operations.

As a result of the various deductions available, including accelerated rates of amortization and depreciation, and incentives, such as tax holidays, mines can be royalty-free or close to royalty-free in early years. This deferral of royalty can reduce the life-of-mine, effective rates of a tax to significantly less than specified statutory rates.

Royalty based on a combination of revenue and profits is usually specified to be the greater of a defined percentage of revenue at the mine or a percentage of profit. In some cases, such as in British Columbia, revenue based royalty payments may be carried forward to future years for deduction against eventual net profits tax, making the revenue royalty more of an advance tax than a minimum. The royalty holiday concept is often embedded in a combination revenue-profits royalty through application of the revenue base royalty until payout, or recovery of initial capital investment, after which the greater of the revenue and profit based taxes is applied. Combined revenue and profits based royalty is levied in Canada in British Columbia, Alberta, Saskatchewan, New Brunswick and Nova Scotia.

Royalty based on production quantities is typically used only for specified quarried, industrial minerals, such as aggregates, building stone, gypsum and coal. In these cases, the royalty rate is set as a value per quantity of production, such as dollars per tonne. The use of this methodology has declined in Canada in recent years, as more commodities are shifted to revenue or net profit based royalties.

The following table outlines the basic royalty methodologies employed in the Canadian and international regimes tested in this analysis.

Summary of Royalty Methodology Applied – Major Metallic and Industrial Minerals

	Canada	International
Revenue based	Nova Scotia	South Australia, Western Australia, Sweden, South Africa, Namibia, Peru
Net Profits based	Yukon, Northwest Territories, Nunavut, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Newfoundland	Alaska, Nevada, Chile
Combination of revenue and profits	British Columbia, Alta, Saskatchewan, New Brunswick, Nova Scotia	Western Australia
Production based (typically for industrial minerals and coal)	Alta, Saskatchewan, Ontario, New Brunswick, Nova Scotia	
<i>Note: jurisdictions appearing more than once on this listing reflects having multiple royalty structures applying to specified minerals</i>		

2.5 Canada Mining Regulation Royalty Basics

The federal government administers mining in the Northwest Territories and Nunavut and levies royalty under the Canada Mining Regulation (CMR), with reference to the Territorial Lands Act.

The CMR royalty is based on a company's annual net before tax profits from mining. It is typical of Canadian mineral royalties, which are mainly profit based, but contain specific peculiarities, often related to embedded incentives. Net profit is determined in a

similar fashion to that described in the royalty methodology section, above, as revenue less deductions for operating, capital, exploration and development expenses, and processing allowance. The main characteristics of the CMR are:

- a stepped ladder of royalty rate –
 - no royalty on the first \$10,000 of annual profits;
 - 5% of annual net profit between \$10,000 and \$5 million;
 - escalating in 1% increments per \$5 million of net profit, to maximum 14% (for net profit above \$45 million);
 - subject to an overall maximum rate on all net profit of 13% (for profit above \$220 million);
- 100% depreciation and exploration & mine development allowance rates, for which eligible costs include costs of negotiating Impact and Benefit Agreements (IBA) with aboriginal peoples, and which allow eligible expenses to be pooled and carried forward indefinitely;
- offsite exploration on other CMR administered lands deductible in-the-year, to a cap of 10% of net income;
- requires government valuation of diamond production for royalty (under review pending results of the Richter Report);
- processing allowance, to a limit of 65% of royaltyable income;
- operators may selectively apply deductions to –
 - minimize royalty in-the-year; or
 - minimize total royalty over the life-of-the-mine.

Some recent changes have been made to the CMR royalty, addressing issues raised by the mining industry relating to overlap with aboriginal mineral rights and interests, and location of mine assets and supporting facilities qualifying for inclusion in the deductible capital asset base. These continue a pattern of periodic adjustments by the federal government to respond to changing conditions in the industry.

Under land claims agreements royalty from crown lands is shared with aboriginal groups in the Northwest Territories and Nunavut. In some cases, mines located on aboriginal lands and subject to aboriginal mineral rights have their administration grandfathered under the CMR. As a result, changes to the CMR require consultations with the respective aboriginal groups.

2.6 Royalty Regimes Elsewhere Across Canada

All provinces and territories in Canada levy royalty on mining income. There is variation in royalty regulations, both in specified, statutory rates and in base determination of royaltyable income, which varies from the (net profits) taxable income for income tax. Most provinces follow a basic, net profits methodology for at least part of royalty, valuing production effectively at the mine site gate, but details of the net profits methodologies differ significantly across jurisdictions. Some provinces also include net revenue methodologies within their respective royalty regimes, usually as a combination revenue and profit based tax system.

The following describes the main royalty provisions applicable to the mineral production in Canada.

British Columbia

The British Columbia royalty is specified in the Mineral Tax Act, with reference to the Mineral Tenure Act.

The royalty is a combination, two-stage tax, with a first stage based on 2% of net revenue and a second stage based on 13% of net profit. The overall royalty is the greater of the two stages (accumulated first stage payments are a deduction against second stage royalty).

British Columbia's net profits calculation also effectively incorporates all allowed deductions, both operating and capital into a single deduction pool with carry-forward provisions. The carry-forward also includes an investment allowance, substituting for interest, on undeducted capital costs.

A mine operator files a single royalty return consolidating revenues and costs for all mines in the province in which the operator has an interest.

Alberta

The Alberta royalty is specified in the Metallic and Industrial Minerals Royalty Regulation, under the Mines and Minerals Act.

Royalty under the Metallic Minerals Royalty, levies a combination net revenue and net profit royalty, being the greater of 1% of net revenue (mine mouth revenue) or 12% of net profit (net revenue). From the month of first sale from the mine up to payout (recovery of initial capital investment), only the first stage (1% of net revenue) royalty is applied. The combination net revenue and net profit royalty applies after payout has been achieved.

Alberta defines mine mouth revenue as, effectively, gross revenue less costs incurred between the mine mouth and point of sale, i.e., off-site costs, as per net revenue in the royalty methodology section, above. Similarly, net revenue in Alberta is determined generally as described for net profits in the royalty methodology section, above.

The government reserves the right to determine the value of the mineral production for royalty purposes if the mineral is sold at a price the government considers less than fair, if the mineral is not sold but otherwise disposed or consumed, or if the mineral is removed from Alberta.

Alberta has separate royalty provisions for certain specified minerals, including coal, placer minerals (rate per production quantity), quarriable minerals (rate per production quantity) and salt (rate per production quantity) plus, of course, oil and gas (combination net revenue and net profit base). The province also has a separate tax on production from freehold mineral rights.

Saskatchewan

The Saskatchewan royalty is specified in the Mineral Dispositions Regulations, under the Crown Minerals Act.

The royalty is net profits based, being levied at a rate of 5% or 10%, depending on cumulative production from mining. Currently cumulative production thresholds for the escalation in royalty rate have only been defined for precious metals (1 million troy ounces) and all minerals (1 million tonnes). Effectively, within the first couple of years of production, most mines would pass through the base rate threshold and be at the higher rate of royalty. The province has special royalty calculations and rates for other minerals (uranium, potash, subsurface salts).

Net profit for royalty is determined generally as per the description in the royalty methodology section, above; as gross value of sales, less mining and milling costs, general and administrative expenses, market development, insurance, municipal and school taxes, current year exploration expense, depreciation of assets, pre-production expenses, reclamation and decommissioning expenses, financial assurance fund costs, transportation costs and loss carry-forward.

Saskatchewan allows a royalty holiday until a mine has recovered 150% of initial exploration and development costs, with pre-production expenses being reduced by any sales of minerals produced prior to the start of commercial production.

Saskatchewan also levies a capital tax based on resource (mining) revenues for large projects, which include most mines. Although this is called a capital tax, being based on resource revenues, it closely resembles a royalty.

Manitoba

The Manitoba royalty is specified in the Mining Tax Act, with reference also to the Mines and Minerals Act.

Manitoba's royalty is net profits based, at 18% of net income from mining operations. Net income is determined in a similar fashion to that described in the methodology section, above, as net revenue less deductions for capital, exploration and development expenses, processing allowance and a new mining asset investment credit. There is also a royalty holiday until initial, preproduction capital has been recovered, although depreciation must be drawn down at the statutory rate, plus by any new mine holiday allowance claimed, during the period of the new mine holiday.

Royalty is levied on any production from a mine, opening or excavation in, or working of the ground for the purpose of winning mineral bearing substances. Mining revenue is subject to royalty as of the date of delivery of mineral products for sale or otherwise disposal.

Manitoba also levies a Special Tax, at 0.5%, which in most cases is fully refunded, based on notional proportional allocation of sales to Manitoba and other jurisdictions.

Ontario

Most mining in Ontario is subject to royalty as specified in the Mining Tax Act, with reference also to the Mining Act. Royalty on diamond mining is specified separately in the Royalty on Diamonds Regulation.

Ontario's royalty under the Mining Tax Act is net profits based, at 10% of net profits from most mining operations, with a reduced rate of 5% for qualifying remote mines. The province provides a tax holiday on the first \$10 million of net mining profits, effective for the first 3 years from production start-up, extended to 10 years for remote mines. The province also exempts the first \$500,000 of annual net mining profits from royalty.

Net income is determined in a similar fashion to that described in the royalty methodology section, above, as net revenue less deductions for capital, exploration and development expenses, processing allowance.

An operator may file a single royalty return, consolidating revenues and costs for all mines in the province in which the operator has an interest, excepting revenues and costs related to qualifying remote mines and diamond mines.

The Ontario diamond royalty is closely based on the CMR royalty, with the same rates and deduction schedule, except that Ontario has added a Community Economic Development Allowance. This allowance provides for deductibility of payments made under IBA with First Nations, and some additional expenses such as qualifying charitable donations and community contributions. This is the first mineral royalty in Canada to provide for such deductions.

The province also has separate royalty provisions for some specified minerals, including some industrial minerals, aggregates, building stone, solution mined salt, natural gas and oil. Ontario announced in its 2007 budget that diamond mining will similarly be subject to a special royalty, based on that in the Canada Mining Regulations (see NWT discussion), instead of royalty.

Québec

The Québec royalty is specified in the Mining Duties Act, with reference also to the Mining Act.

Québec's royalty is net profits based, at 12% of net profits from mining operations. Net income is determined in a similar fashion to that described in the royalty methodology section, above, as net revenue less deductions for capital, exploration and development expenses, processing allowance. Quebec provides a refundable royalty credit for certain pre-production exploration and mine development expenses.

Quebec provides a partial holiday, or reduction of royalty, for remote mines located north of 51° in the form of a reduction to annual taxable income, for the first 10 years of production, of 20% of cumulative investment in processing assets at the mine.

Royalty is levied on profits from any production from a mine, including the various phases in the mineral development process – exploration, mineral deposit evaluation, mine development. Mineral production can be taken from a mine or development

working only under a mining lease, or with a Ministerial authorization which is also subject to duties and royalty fixed by regulation, as above.

New Brunswick

The New Brunswick royalty is specified in the Metallic Minerals Tax Act, with reference to the Mining Act.

New Brunswick's royalty is a combination, two stage royalty, with a first stage of 2% of net revenue and a second stage of 16% of net profit. The overall royalty is the sum the amounts calculated under the two stages, however, the first stage tax is deductible from revenue in determining net profit for the second stage tax. New mines benefit from an initial two-year royalty holiday.

New Brunswick levies royalty on private royalty income, and provides a deduction for private royalty payments in determining taxable income for mine operator's royalty.

The province has separate royalty provisions, generally production quantity-based, for specified minerals, including coal, aggregates, building stone, gypsum, potash and salt.

Nova Scotia

Nova Scotia sets royalty in the Mineral Resources Act, with reference also to the Mineral Resources Regulations and the Gypsum Mining Income Tax Act.

Nova Scotia's royalty is a combination, two stage royalty, being the greater of a first stage based on 2% of net revenue and a second stage based on 15% of net profit. Both net revenue and net profit are determined as per the methodology section above. An operator may file a single royalty return, consolidating revenues and costs for all mines in the province under common ownership.

The regulations set different royalty rates and rate bases for some specific minerals. The specified royalties are a mix of net revenue based (gold, silver, limestone, celestite) and production quantity based (coal, anhydrite, barite, salt, silica).

The Gypsum Mining Income Tax Act sets a net profit based royalty at 33⅓% rate for gypsum production.

Prince Edward Island

The Prince Edward Island Mineral Resources Act provides for royalties, but does not specify rates or basis.

Newfoundland and Labrador Mining and Mineral Rights Tax

Royalty in Newfoundland and Labrador is specified by the Mining and Mineral Rights Tax Act, 2002, with reference to the Mining and Mineral Rights Tax Regulation, the Mining Act and the Mineral Act.

The royalty is in two-stages, with a first stage at 15% of 80% of net mining profit and a second stage mineral rights tax of 20% of 20% of net mining profit, net of any private

royalty paid. The overall royalty is the sum the amounts calculated under the two stages. New mines may benefit from a corporate income tax credit against royalty, to a limit of \$2 million per year for the first 10 years of production.

The calculation of royaltyable income under the MMRT includes 'typical' deductions for operating costs, exploration – delineation of the reserve, depreciation allowance for cost of capital assets, amortization of development costs, and processing allowance. It also includes deductibility of private royalties (not usual – only elsewhere in Canada in NB).

The MMRT also levies the mineral rights tax on royalty revenue of a private royalty rights holder, net of costs and qualifying exploration expenses.

Yukon Territory

Royalty in the Yukon is specified in the Quartz Mining Act, with reference also to the Placer Mining Act.

The Quartz Mining Act royalty is net profits based, in a stepped scale from 3% of annual net profit (value of output of a mine) above \$10,000, escalating to 5% for net profit between \$1 million and \$5 million, then continuing to escalate at 1% per additional \$5 million of net profit. There is no specified maximum increment to the stepped royalty rate ladder.

Net profit for royalty is defined significantly differently than in other Canadian jurisdictions, in that corporate income tax is deductible; and deduction of exploration and development expenses and capital costs for mine, mill or infrastructure assets is limited to the year an expense is incurred, with no carry forward. The specified depreciation allowance is limited to the average annual repair and renewal costs for capital assets, excluding the base asset costs. Royalty is required to be filed in a consolidated basis for all mine operations within the territory under common ownership, management or control.

In March 2008, the Yukon Government released a Discussion Paper with proposals to revise the Quartz Mining Act royalty. The stated rationale for the proposed revisions is to make the QMA royalty more competitive within Canada and to modernize some of its anachronistic provisions. The proposed revisions remain up for discussion at this time, and have not been enacted. The government's stated timetable is for legislation this Fall (2008) for immediate implementation. Since the proposals represent a significant departure from the current royalty, this analysis incorporates the main government proposals:

- capping the royalty rate ladder at a maximum incremental rate of 12%;
- eliminating consolidated, territory-wide filing;
- eliminating the deductibility of corporate income tax;
- modernizing the calculation of depreciation allowance for capital assets;
- enabling the pooling and carry forward of pre-production exploration and development expenses;
- modernizing various other defined terms and calculations; and

- adding a deduction for investments in community economic development, including IBA payments to First Nations.

Summary of Canadian Mineral Royalty Rates

Mineral royalty rates across Canada are summarized in the following table.

Statutory Mineral Royalty Rates Across Canada

Province/Territory	Royalty Rate
CMR (NWT & NT)	stepped scale up to 13% of net profits
British Columbia	2% of net revenue or 13% of net profits
Alberta	1% of net revenue or 12% of net profits
Saskatchewan	3% of net revenue + 10% of net profits
Manitoba	18% of net profits
Ontario	
metals	10% of net profits
diamonds	stepped scale up to 13% of net profits
Quebec	12% of net profits
New Brunswick	2% of net revenue + 16% of net profits
Nova Scotia	2% of net revenue or 15% of net profits
Newfoundland and Labrador	16% of net profits
Yukon	stepped scale, to 12% of net profits

2.7 Corporate Income Tax

The federal government and all provinces and territories in Canada levy corporate income tax on mining income. Each province and territory sets its specified income tax rate, generally applied on the same or a similar taxable income base as for federal tax:

- Newfoundland and Labrador, Yukon, the Northwest Territories, Nunavut, Manitoba, Saskatchewan, New Brunswick, Nova Scotia and Prince Edward Island levy provincial/territorial income tax directly on federal taxable income, Ontario is in the process of harmonizing its income tax with the federal taxable income;
- Alberta, British Columbia and Quebec have corporate income tax regimes that differ slightly from the federal rules, with some difference in allowed deduction rates or terms, but overall the taxable income base remains similar;
- Ontario imposes a minimum corporate tax, based on net operating revenue, where such is greater than the normal tax calculated on taxable income; and

- royalty is a deduction from income for determining taxable income for corporate income tax, excepting in Ontario which has a Resource Allowance deduction as an alternative to deductibility of royalty.

Federal income tax provisions are consistent across the country, excepting as relate to commercial activity in New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador, where industry benefits from reduced federal income tax due to the Atlantic Canada Investment Tax Credit. This tax credit effectively reduces the federal corporate income tax burden on, and provides a competitive advantage to industry investing in Atlantic Canada.

The base federal corporate income tax rate for resource income is currently 19.5%. It has been reduced significantly from 22% in 2002, and is on its way down to 15% by 2012. Accelerated 100% rates are allowed for depreciation and deduction for capital costs, respectively, for mining assets, and for mine exploration and pre-production development. As noted above, mining royalty is deductible in determining taxable net profits.

The provincial tax rates are summarized in the following table.

Corporate Income Tax Rates Across Canada

Province/Territory	Federal	Provincial/ Territorial	Combined
Northwest Territories	19.5%	11.5%	31.0%
Nunavut	19.5%	12%	32%
British Columbia	19.5%	11%	31%
Alberta	19.5%	10%	30%
Saskatchewan	19.5%	10%	30%
Manitoba	19.5%	13%	33%
Ontario	19.5%	12%	32%
Quebec	19.5%	11.9%	31.4%
New Brunswick	19.5%	12%	32%
Nova Scotia	19.5%	12%	32%
Newfoundland and Labrador	19.5%	14%	34%
Yukon	19.5%	15%	35%

2.8 Corporate Capital Tax

Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick and Nova Scotia also levy a tax on invested capital in large corporations, denoted as corporate capital tax. Each jurisdiction sets a specified corporate capital tax rate, generally applied on invested capital, retained earnings and long term debt. New Brunswick is in the process of reducing its capital tax in stages, towards complete elimination by 2009. Nova Scotia

and Ontario are similarly reducing their respective capital taxes towards elimination by 2012.

The Saskatchewan capital tax for large resource companies, as noted in the royalty discussion above, is similar to a net revenue based royalty.

Newfoundland and Labrador, British Columbia, Alberta, Prince Edward Island, the Yukon, the Northwest Territories and Nunavut, do not levy capital tax.

2.9 Royalty and Tax Regimes in Other Countries

The international regimes tested were: USA – Alaska and Nevada, Australia – Western Australia and South Australia, Sweden, South Africa, Namibia, Chile, Peru and Mexico.

International fiscal regimes differ from those in Canada. In many, but not all cases, resources remain a federal or senior government responsibility. In some cases there is no second tier of government income taxation and/or mineral royalties. In some, there are no royalties at all, beyond usual corporate income taxation. So, the comparison of international competitiveness is best made at the national fiscal level, including state or provincial taxation, as may also be applied.

The following describes the main royalty provisions applicable to the mineral production in the comparator international jurisdictions selected for this analysis.

Australia

The Australian federal government levies corporate income tax on mining income at 30% of annual net profits. Taxable income is net of: operating costs; allowances for investment in capital assets (depreciation), exploration, and mine development; state mining royalties; and an investment allowance.

The Australian states do not levy corporate income tax.

Western Australia

Western Australia levies mining royalty generally on a net revenue basis with specific rates for a schedule of mineral commodities, ranging from 1.25% on gold to 7.5% on bauxite, lump iron ore, gems and precious stones. Royalties on base metals are stipulated as 5% on copper, zinc, lead, uranium, and 'other' minerals, and 2.5% on nickel, tin, silver. The net revenue base for royalty is realized value, that is sales less post-site charges, such as shipping, smelting and refining charges.

These statutory rates may be subject to over-ride by specific, negotiated, mine agreements, which tend to be also embedded in legislation. Some of the individual mine agreements include a combined net revenue base royalty with a net profits second tier. For example, the royalty on diamonds is a combination system as the greater of 7.5% of revenue or 22.5% of net profits.

Royalties on some industrial minerals are separately stipulated on a production quantity basis, in the range of 30¢/t for aggregates, clays, dolomite, etc., to 50¢/t for heavy mineral sands and talc.

South Australia

South Australia levies mining royalty for most mineral commodities on an assessed value (expected net revenue) basis at a rate of 3.5% for most minerals, including base metals, with a reduced rate of 1.5% applicable for the first 5 years of production. The assessed value base for royalty is the assessed normal market value of product less typical or normal post-site charges, such as for shipping, smelting and refining.

These statutory rates may be subject to over-ride by specific, negotiated, mine agreements, which tend to also be embedded in legislation.

Royalties on some other minerals are separately stipulated on a production quantity basis in the range of 20¢/t for aggregates, clays, gravel, gypsum, etc., to 50¢/t for feldspar.

South Africa

South Africa updated its royalty regime with the Mineral and Petroleum Resources Royalty Bill of October 2006. It specifies mining royalty on a net revenue basis for a schedule of mineral commodities, at specified rates ranging from 0% on construction materials and building stone to 5% on diamonds and a selection of industrial minerals, and 6% on unrefined platinum group minerals. Royalties on base metals are set at 4% for unrefined product, reduced to 2% for product refined in South Africa. The net revenue base for royalty at the 4% rate is realized value, that is sales less treatment charges, such as smelting and refining.

South Africa levies corporate income tax at 29% of annual net profits. Taxable income is net of: operating costs; redemption of investment in mine equipment and development; exploration; depreciation allowance for investment in capital assets; interest; and state mining royalties.

Sweden

Sweden levies a net revenue-based royalty at a rate of just 0.2%. This royalty is shared between the government and the land owner.

Sweden levies corporate income tax at 28% of annual net profits. Taxable income is net of: operating costs; exploration; depreciation allowance for investment in capital assets; interest; an investment allowance and state mining royalties.

USA

The USA federal government levies corporate income tax at 35% of annual net income (profits), subject to a minimum tax of 20% after earnings adjustments, and an environmental tax of 0.12% of the taxable income for minimum tax. Taxable income is net of operating costs, depreciation allowance for investment in capital assets, amortization of development expenses, exploration expenses, state income and royalties, and depletion.

The USA states also levy corporate income tax.

Alaska

Alaska levies both a mining license tax on all mining production in the state and a production royalty for mining on state lands. Both taxes are based on annual net mining profits. The mining license tax rate is graduated from 3% for income starting at \$40,000/y, increasing to 5% at income of \$50,000/y and 7% for income above \$100,000/y. There is a 3½ year mining license tax holiday. The production royalty is levied at 3% of annual profits (the taxable income for mining license tax).

It is noted that the production royalty applies only to mining on state lands. Ownership of mineral rights in Alaska is divided between the state, the USA federal government and local first nations. State owned and administered lands represent about one-half of the state. The mining license tax applies to all mining in Alaska.

Alaska also levies corporate income tax at 9.4% of annual net income (profits), subject to a minimum tax of 18% after earnings adjustments. Taxable income is net of operating costs, depreciation allowance for investment in capital assets, amortization of development expenses, exploration expenses, state royalties, and depletion.

Nevada

Nevada levies a Proceeds of Minerals Tax for mining on state lands, based on net mining proceeds (profits). The tax rate is 5% at annual taxable proceeds (profits). Taxable proceeds are total revenue less costs of extraction (operating costs and treatment charges), private royalties, exploration and development expenses and depreciation on capital assets.

Nevada has no state corporate income tax.

Chile

Chile introduced a royalty in 2006, with a graduated rate ranging from 0% for production less than the equivalent of 12,000 tonnes of fine copper, to 5% for production greater than the equivalent of 50,000 tonnes of fine copper. The royalty is levied on net, annual operating income (profits), or revenues less operating costs, depreciation allowance, exploration expenses, and amortization of development costs.

Chile also levies a two-stage corporate income tax. The first stage is levied at 17% of net annual profits, and the second stage, additional profits tax, is levied at 35% of the same taxable profits at the time of distribution or payment of dividends, with a credit for first stage tax paid. Taxable income is gross revenues less operating costs, depreciation allowance, exploration expenses, amortization of development costs and interest charges.

Companies can elect to fix or secure their additional profits tax rates for up to 20 years into the future by agreeing to pay an additional 5%, increasing the rate to 40%.

Peru

Peru has a revenue-based royalty regime, with a graduated rate ranging from 1% for production value up to \$60 million annually, 2% for values between \$60 million and

\$120 million, and 3% for production values greater than \$120 million. The royalty is levied on gross receipts less transportation, smelting and refining charges.

Peru also levies corporate income tax at 30% of the taxable profits defined as gross revenues less operating costs, depreciation allowance, exploration expenses, royalties, and interest charges.

Mexico

Mexico has no state royalty. It levies only corporate income tax and capital tax. The income tax rate is 30% of taxable income, which is net annual profit less 10% obligatory profit sharing. Net annual profit is gross revenues less operating costs, depreciation allowance, exploration expenses, amortization of development costs and an investment allowance of 10% of capital costs.

The capital tax is levied at 1.25% annually of the total capital base, after allowing a three year capital tax holiday at start-up of production.

Summary of International Fiscal Regimes

The international fiscal regimes tax and royalty rates are summarized in the following table.

International Comparator Income Tax and Royalty Rates

Country/State	Income Tax	Royalty
Western Australia metals diamonds	30.0%	5% of net revenue 7.5% of net revenue or 22.5% of net profits
South Australia	30.0%	up to 3.5% of net revenue
Alaska	35% + 9.4%	stepped to 7% of net profits + 3% of net profits
Nevada	35% + 0%	5% net profits
Sweden	28.0%	0.2% of net revenue
S Africa metals diamonds	29% + 5%	4% of net revenue 5% of net revenue
Namibia metals diamonds	35% to 55% + 10%	3% of net revenue 10% of net revenue
Chile	17% + 42%	5% of net profits
Peru	30.0%	stepped to 3% of net revenue
Mexico	28% + 10%	none

3 Testing Competitiveness – Quantitative Analysis

3.1 Approach

The analysis uses quantitative modelling, comparing projected annual and life-of-mine total royalty and taxes on two hypothetical ‘type’ mine models for the CMR royalty and tax regimes of Canada’s north, and those applied in the remainder of Canada and in the selected international jurisdictions that could be seen as competing with Canada for mineral development investment.

While the purpose of the study was to evaluate the comparative competitiveness of the CMR royalty, and it is recognized that mineral royalty is a return to the (government) owners from exploitation of ‘owned’ minerals, it was considered beneficial to extend this type of analysis to include corporate income and capital taxes as related revenues to the respective governments.

The two mine models are representative of a medium scale base metal mine and larger sale diamond mine, respectively. The hypothetical mine financial parameters were adjusted to run at different (higher and lower) profit levels, to investigate the impact of profitability on the base observations. Thus the two mine financial models, each run at the different profitabilities, enabled the evaluation of financial impacts on mine profits of the CMR royalty and those of the comparator tax regimes as may relate to mine size, configuration and profitability.

Royalty and tax parameters for the CMR and the comparator regimes were applied as currently legislated*, including future programmed changes, such as the federal income tax rate reduction to 15% by 2012. Annual and life-of-mine cash flows were calculated before and after royalty and taxes. Comparisons of the royalty burden were made on the basis of:

- total, life-of mine royalty, and combined royalty and corporate taxes;
- effective life-of mine royalty and combined tax and royalty rate determined as
 - proportion of before royalty and tax profits;
 - impact to (reduction on) IRR;
 - net cash flow to the mine operator; and
- annual royalty and combined royalty and taxes through the mine life.

* In March 2008, the Yukon Government released a Discussion Paper with proposals to revise royalty provisions of the Quartz Mining Act. The stated rationale for the proposed revisions is to make the QMA royalty more competitive. The proposals remain up for discussion at the time of completing this report. The government’s stated timetable is for legislation this Fall (2008) for immediate implementation. Since the proposals represent a significant departure from the current royalty, this analysis incorporates the main government proposals, as an exception to limiting this analysis to legislated rules.

3.2 The Model Mines

The analysis builds upon hypothetical 'type' mine financial models, representative of:

- a medium sized, base metal mine requiring an initial capital investment of \$400 million; and
- a larger size diamond mine requiring an initial capital investment of \$1,200 million.

The mine types were chosen to reflect the spectrum of typical mine developments for the north, and the spectrum of mine cost structures – base metal mines having relatively complicated processing requirements and costs, including post-mine costs for smelting and refining, while diamond mines have relatively simpler processing requirements and costs but more complex and costly site development requirements.

The revenue and production cost models were based on an amalgam of data from existing mines, they do not represent individual existing mines. Both mines were set up to have an operating life of 15 years. Each mine model was configured successively to provide profitabilities of 10%, 15% and 20% after-royalty-and-tax return on investment for the Northwest Territories, by varying the annual revenues while keeping the costs constant. Then the mine models were subjected to the comparator royalty and tax regimes. Thus the two models, each run at the different profitabilities, enabled the evaluation of impacts of the MMRT and the comparator tax regimes as may relate to both mine size or configuration, and profitability.

Cost and revenue escalation were built into the model. The mines were subjected to annual royalty and taxes for each regime over the full operating mine life. The analysis optimizes the use of available deductions over the full mine life to the advantage of the companies.

Summary Mine Description, Hypothetical Base Metal Mines	Medium Scale Base Metal Mine	Larger Scale Diamond Mine
Mine operating life (years)	15	15
Duration of mine development	3	3
Annual gross revenue base (\$)		
at 20%IRR before tax	290,013,093	357,541,353
at 15%IRR before tax	317,831,000	430,525,000
at 10%IRR before tax	349,970,500	516,575,000
Annual operating costs (\$)	215,000,000	143,000,000
Mining as % of operating costs	34%	65%
Capital costs (\$)		
Exploration (before development)	37,500,000	225,000,000
Initial mine development	80,000,000	250,000,000
Sustaining mine development		250,000,000
Infrastructure	40,000,000	75,000,000
Initial mining plant & equipment cost	80,000,000	275,000,000
Initial milling plant & equipment cost	150,000,000	375,000,000
Total initial capital investment	400,000,000	1,200,000,000
Sustaining capital, annual rate %	3%	3%
Private NSR royalty rate	1.0%	0.0%
<i>Note: The mine models are hypothetical only. The base operating and financial data were derived by Two Ducks Resources Inc. – Analysis from public sources and our internal data sets. The models are not meant to reflect the financial parameters of any specific mine.</i>		

3.3 The Analysis Methodology

The hypothetical mine models were input to our MineTax[®] model of mine development and fiscal economics, including separate analysis modules for the fiscal system of the NWT and NT and each of the comparator provinces, states and countries. MineTax works from a basic financial description of a mine, including pre-production exploration and development costs, production quantities, costs and revenues through mine production to closure. The mine project data was input to the MineTax model, adjusted for project schedule, inflation, cost and revenue factor escalations, and project financing, then fed into comprehensive life-of-mine analysis modules for each jurisdiction.

The outputs of the MineTax analysis include annual and total life-of-mine cash flows before and after taxes, royalty and tax streams, and indicators such as internal rate of return on investment (IRR), and impact of taxes and royalties, measured by impact on the return on investment.

The mine models project the hypothetical mine economics over a period of eighteen years, including initial development (3 years) and operations (15 years) to closure. Operating cash flow, profits and taxes are calculated annually, then consolidated into life-of-mine results. The comparison of fiscal impacts was quantified in terms of:

- the annual and total (life-of-mine) royalty, and combined royalty and corporate taxes;
- in nominal dollars (dollars of-the-year) and discounted net present value; and
- effective life-of mine royalty and combined tax and royalty rate determined as
 - proportion of before royalty and tax profits;
 - impact on internal rate of return (IRR).

The key indicator results for the model testing for the various jurisdictions were then summarized for comparison, in both tabular and graphical formats.

The use of two, different, mine models and presetting to three levels of profitability, at 10%, 15% and 20% after tax return on capital respectively (for the NWT/CMR fiscal regime), facilitates the evaluation of sensitivity or responsiveness of the tax and royalty regimes respectively to project configuration or scale, and profitability.

Need to Consider Both Royalty and the Combined Total of Royalty and Income Tax

The Canadian provinces and the Yukon territory (i.e., all Canada except NWT and NT where the federal government levies royalty), and most international regimes tested collect both royalty and income taxes. Jurisdictions can and do set policy directions for fiscal programs. In the case of mining, these may tend to emphasize fiscal capacity from either income tax or royalty, depending on government priorities. As a result, there tends to be greater variation among royalties or income tax, than in combined royalty and income tax. Thus, an evaluation of competitiveness of CMR royalty rate, benefits from being extended to also include income tax, to present a total fiscal perspective.

Royalties are a deduction from income for determining taxable income for both provincial and federal corporate income taxes. This cross-linkage of royalty and income tax creates inefficiency in the adjusting of royalty rates – reduction in royalty, produces a reduction in deductions for income tax, thus an increase in federal and provincial income tax. Conversely, higher royalty results in lower federal and provincial income tax.

4 Analysis Results – Comparative Competitiveness of the CMR

4.1 Comparison of Statutory Royalty Rates

The following tables summarize the statutory royalty rates in the regimes studied.

Statutory Mineral Royalty Rates Across Canada

Province/Territory	Royalty Rate
CMR (NWT & NT)	stepped scale up to 13% of net profits
British Columbia	2% of net revenue or 13% of net profits
Alberta	1% of net revenue or 12% of net profits
Saskatchewan	3% of net revenue + 10% of net profits
Manitoba	18% of net profits
Ontario	
metals	10% of net profits
diamonds	stepped scale up to 13% of net profits
Quebec	12% of net profits
New Brunswick	2% of net revenue + 16% of net profits
Nova Scotia	2% of net revenue or 15% of net profits
Newfoundland and Labrador	16% of net profits
Yukon	stepped scale, to 12% of net profits

The CMR top average rate of 13% is competitive, middle of the pack of the profit-based royalties across Canada, which range from a low of 10% in Ontario to 18% in Manitoba. These statutory rates, however, are not a good comparator of effective impact because the provinces have included different bases of calculating net profits and often include significant incentives to reduce the effective impact of the royalties. For example, Manitoba has a royalty holiday until initial capital is recovered, reducing the impact of the 18% rate.

International Statutory Mineral Royalty Rates

Country/State	Royalty Rate
Western Australia	
metals	5% of net revenue
diamonds	7.5% of net revenue or 22.5% of net profits
South Australia	up to 3.5% of net revenue
Alaska, USA	stepped to 7% of net profits + 3% of net profits
Nevada, USA	5% net profits
Sweden	0.2% of net revenue
South Africa	
metals	4% of net revenue
diamonds	5% of net revenue
Namibia	
metals	3% of net revenue
diamonds	10% of net revenue
Chile	5% of net profits
Peru	stepped to 3% of net revenue
Mexico	none

Most international regimes have revenue-based royalties. There is no meaningful basis for comparison of these statutory rates based on revenues with the CMR royalty statutory rate based on net profits.

Of the international royalties based on net profits, the CMR rate at a maximum of 13% is clearly lower than that for Western Australian at 22.5%, and somewhat to significantly higher than those for Alaska and Chile at 10% and 5%, respectively.

4.2 Results Presentation, Table and Graph Conventions

The tables and graphs in the remainder of this chapter summarize the results of the economic modelling of the impact of royalty and taxes on the type mines across the comparator regimes tested.

The table data is sorted by increasing royalty or royalty plus taxes for the base metal mine, 15% IRR model, from top to bottom. That is, the lowest royalty burdens are at the top of the tables and less desirable, higher burdens are lower down. The rankings for the other mine models and profitabilities may vary slightly from the chosen base, but this sorting order is generally applicable across the models.

A common setup is used for all graphs:

- the results for the CMR, as applied in the Northwest Territories and Nunavut, are the left-most data points and are highlighted with gold points, followed to the right by other Canadian results and then international regime results;
- the other Canadian results are shown in solid colours, and the international results are in paler versions of those colours;
- the higher, 20%, profitability mine results are shown in green; the middle, 15%, profitability mine results are in blue, and the lower, 10%, profitability mine results are in brown.

The analysis results are available in both nominal dollars (dollars-of-the-day) and discounted cash flow net present values. For consistency, all results presented in tables and graphs in the body of the report are net present values. The nominal dollar results are available in the data appendices for each mine model and regime.

4.3 Comparison of Total, Life-of-mine Royalty

The total life-of-mine royalty for the model mines is summarized in the following table and graphs.

Present Value of Total, Life-of-mine Royalty, \$million

	Medium size, Base Metal Mine			Larger, Diamond Mine		
	20IRR	15IRR	10IRR	20IRR	15IRR	10IRR
Canada						
Saskatchewan	20	13	6	50	38	25
Alberta	60	32	12	176	98	50
Ontario	52	34	21	169	91	40
Quebec	62	38	19	188	114	59
British Columbia	63	38	17	166	96	43
NWT (CMR)	65	39	18	186	105	48
Nunavut (CMR)	65	39	18	186	105	48
Manitoba	69	39	19	194	100	37
Yukon	72	47	27	211	138	78
Newfoundland	84	55	31	250	148	75
Nova Scotia	92	67	49	240	149	84
New Brunswick	102	68	40	260	168	96
International						
Mexico	0	0	0	0	0	0
Sweden	5	4	4	7	6	5
Chile	30	19	11	83	54	30
Nevada, USA	35	25	17	100	73	51
Alaska, USA	52	37	24	130	91	55
NWT (CMR)	65	39	18	186	105	48
Nunavut (CMR)	65	39	18	186	105	48
South Australia	65	59	54	94	79	66
Peru	70	64	58	106	89	74
Namibia	70	64	58	353	296	247
S Africa	94	85	78	353	296	247
Western Australia	117	106	97	381	263	189

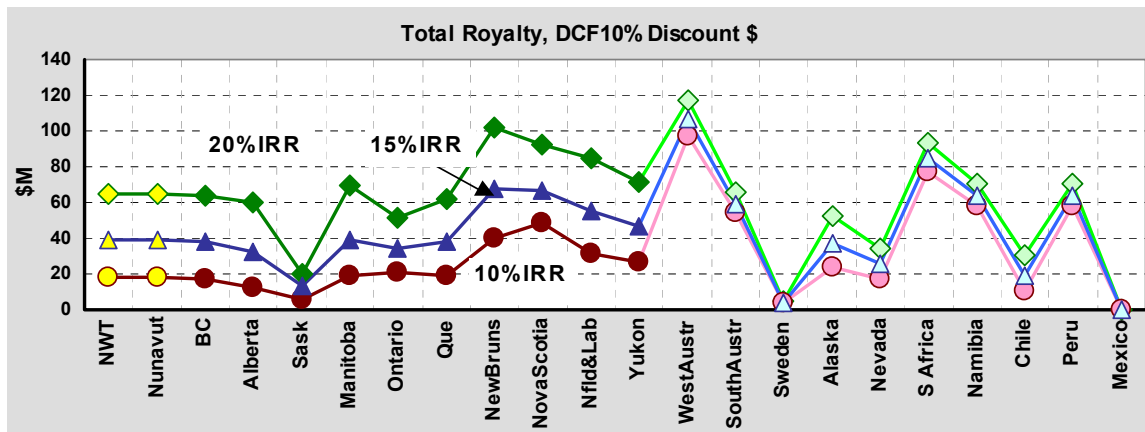
The CMR royalty results, as shown for Northwest Territories and Nunavut, are in a central core group of Canadian royalties, fairly close to those for British Columbia (diamonds), Alberta, Manitoba, Ontario, Quebec and Yukon, lower than those for British Columbia (base metals), New Brunswick, Nova Scotia and Newfoundland and higher than those for Saskatchewan. The Saskatchewan royalty is very low as a result of a new mine royalty holiday and the gross-up of initial mine development capital costs for

deduction, however, Saskatchewan has a second tier of royalty included as a resource surcharge on capital tax, which is not included in these graphs, but is in the following graphs of combined royalty and taxes.

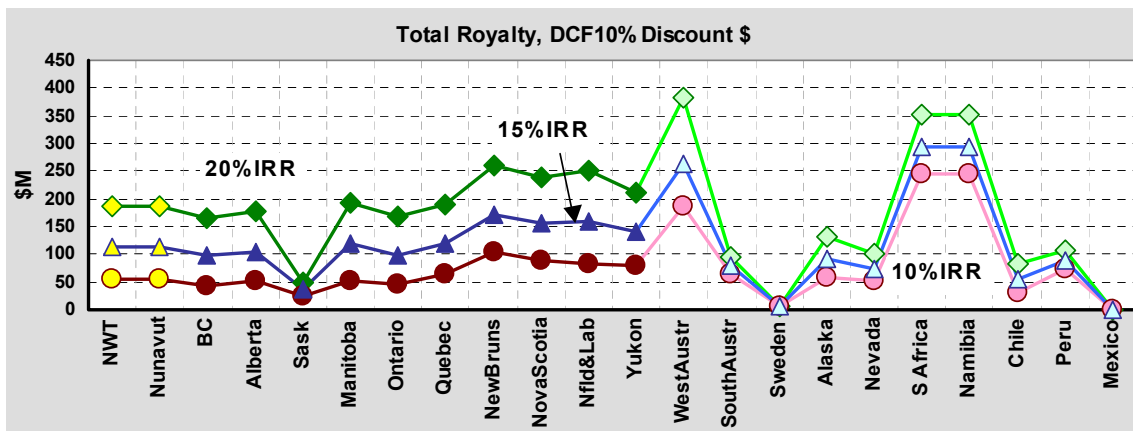
The New Brunswick and Nova Scotia royalties, that are higher than the core group, show the impact of their combined net revenue and net profit based royalties, while the others are largely net profits based. The higher Newfoundland royalty reflects its higher base rates, including the mineral rights part of the royalty.

Total, Life-of-mine Royalty: Discounted Cash Flow NPV at 10%

Base Metal Mine



Diamond Mine



There is significantly greater variation in total royalty and lesser variation between profit levels amongst the international comparators, than within Canada. Most Canadian jurisdictions, including the Northwest Territories and Nunavut (with CMR royalty) are in a mid-rank as compared with the international results, in a grouping with the USA states and Chile that also use net profit-based royalty methodologies.

A couple of countries, Mexico and Sweden, have no or very low rates of royalty, placing them below Canadian results. The higher royalty-rate countries, Australian states, South Africa, Namibia and Peru, generally have revenue-based royalties, demonstrating also comparatively little difference in royalties between lower and higher profit mines.

4.4 Comparison of Total, Life-of-mine Royalty Plus Taxes

The total life-of-mine royalty plus taxes for the model mines is summarized in the following table and graphs.

Present Value of Total, Life-of-mine Royalty Plus Taxes, \$million

	Medium size, Base Metal Mine			Larger, Diamond Mine		
	20IRR	15IRR	10IRR	20IRR	15IRR	10IRR
Canada						
New Brunswick	227	104	57	585	251	130
Alberta	186	117	61	498	304	159
Ontario	182	120	70	496	305	166
British Columbia	194	124	67	507	314	161
NWT (CMR)	200	129	70	535	330	175
Nunavut (CMR)	202	130	71	542	335	178
Quebec	201	135	77	549	363	200
Manitoba	219	141	79	593	366	192
Yukon	223	147	84	605	391	221
Newfoundland	223	148	83	605	230	108
Nova Scotia	220	150	93	574	366	209
Saskatchewan	222	159	106	525	355	219
International						
Mexico	138	90	49	384	238	126
Sweden	161	105	59	456	286	155
NWT (CMR)	200	129	70	535	330	175
Nunavut (CMR)	202	130	71	542	335	178
Nevada, USA	207	143	82	539	379	215
South Australia	215	152	100	549	358	209
Alaska, USA	248	171	98	633	442	247
Chile	271	173	94	749	477	251
Peru	245	176	117	617	431	272
S Africa	242	178	124	723	524	355
Western Australia	253	187	132	752	490	300
Namibia	279	196	127	1,085	743	457

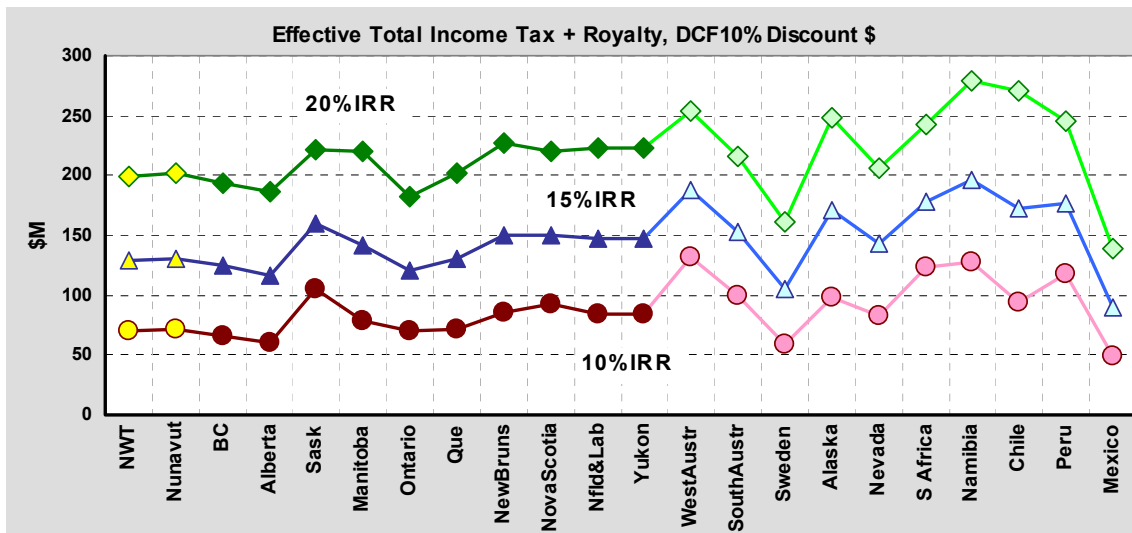
On a combined royalty and taxes basis, Northwest Territories and Nunavut (with CMR royalty), remain in a mid-rank within Canadian regimes and attractively highly ranked near the low end of total royalty plus taxes internationally.

On combined royalty and taxes, most Canadian jurisdictions, remain in the middle of the international results, higher than in Sweden and Mexico and lower than in Australia, and South American and African countries.

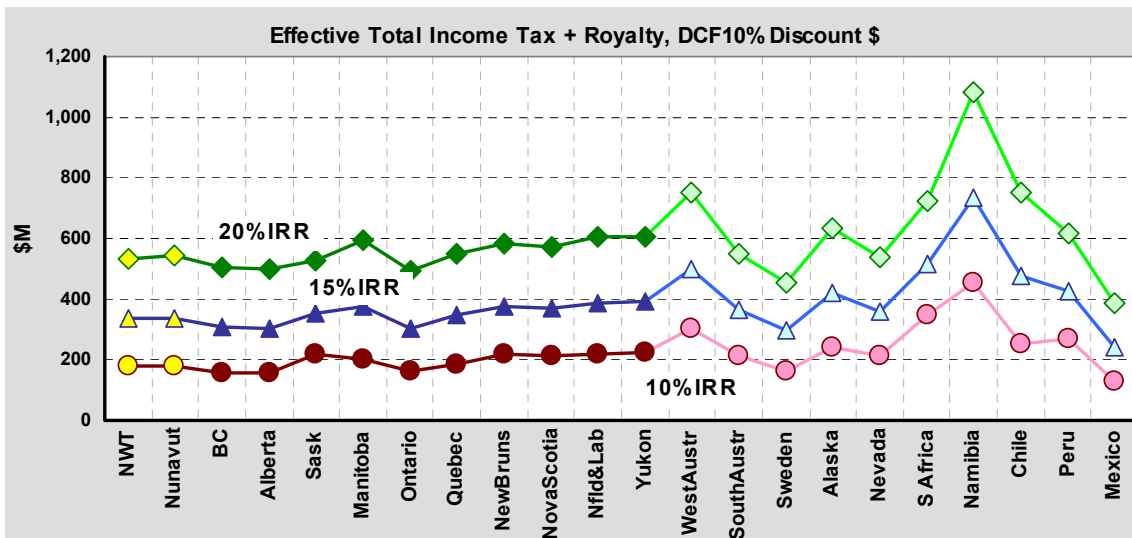
The substantial variation in royalty amongst the international comparators is significantly reduced when total income tax is included. There remains greater variability internationally than within Canada, but it is less pronounced than with just royalty.

Total, Life-of-mine Royalty + Taxes: Discounted Cash Flow NPV at 10%

Base Metal Mine



Diamond Mine



4.5 Comparison of Effective Royalty Rates, By Impact on Pre-Royalty and Pre-Tax Cash Flow

The total life-of-mine royalty rates measured as impact of royalty on pre-tax cash flow for the model mines is summarized in the following tables and graphs.

Effective Royalty Rates, By Impact of NPV Royalty / NPV of Cash Flow Before Royalty and Taxes

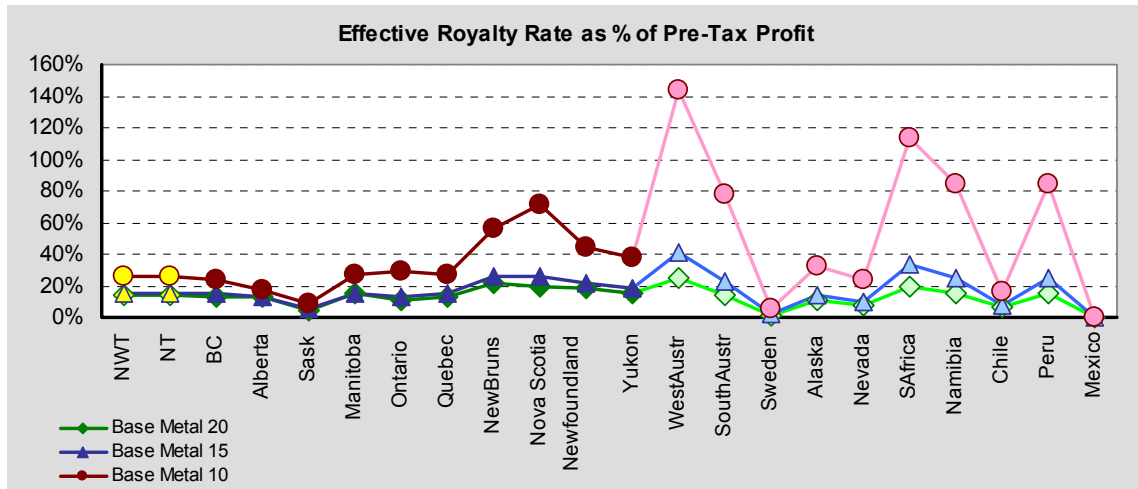
	Medium size, Base Metal Mine			Larger, Diamond Mine		
	20IRR	15IRR	10IRR	20IRR	15IRR	10IRR
Canada						
Saskatchewan	4%	5%	9%	4%	6%	14%
Ontario	11%	13%	29%	13%	14%	23%
Alberta	13%	13%	17%	14%	15%	29%
Quebec	13%	14%	19%	15%	15%	23%
British Columbia	13%	15%	24%	13%	14%	25%
Manitoba	15%	15%	27%	15%	15%	21%
NWT (CMR)	14%	15%	26%	15%	16%	27%
Nunavut (CMR)	14%	15%	26%	15%	16%	27%
Yukon	15%	18%	38%	17%	20%	45%
Newfoundland	18%	21%	44%	20%	28%	103%
Nova Scotia	20%	26%	71%	19%	22%	48%
New Brunswick	22%	26%	56%	21%	25%	55%
International						
Mexico	0%	0%	0%	0%	0%	0%
Sweden	1%	2%	6%	1%	1%	3%
Chile	6%	8%	16%	7%	8%	18%
Nevada, USA	7%	10%	23%	8%	11%	29%
Alaska, USA	11%	14%	32%	10%	14%	31%
NWT (CMR)	14%	15%	26%	15%	16%	27%
Nunavut (CMR)	14%	15%	26%	15%	16%	27%
South Australia	14%	23%	78%	7%	12%	38%
Peru	15%	25%	85%	8%	13%	43%
Namibia	15%	25%	85%	28%	44%	141%
S Africa	20%	33%	114%	28%	44%	141%
Western Australia	25%	41%	144%	30%	39%	108%

The effective royalty rate results mirror those shown above for total royalty. Most Canadian jurisdictions, including the Northwest Territories and Nunavut (with CMR royalty), are in a fairly tight mid-rank generally with the USA states, as compared with the

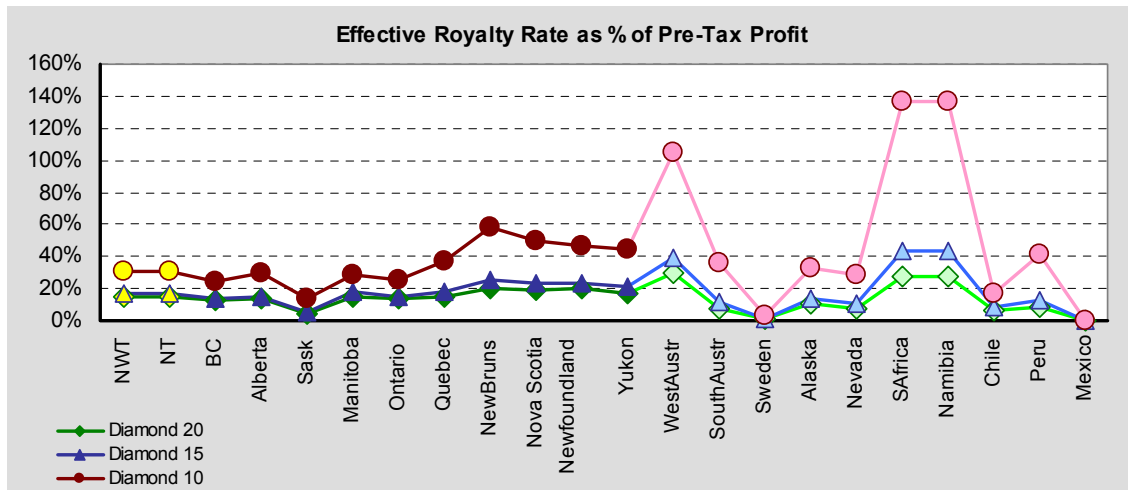
international results, higher than in Sweden and Mexico and lower than in Australia, and South American and African countries.

**NPV Royalty / NPV of Cash Flow Before Royalty and Taxes,
Discounted Cash Flow at 10%**

Base Metal Mine



Diamond Mine



The effective royalty rates are generally higher for lower profit mines. This reflects a general inability of lower profit mines to use as effectively the incentives built into the respective royalty measures.

Within the lower profit mine results for both the base metal and diamond mines, the very high effective royalties for Western Australia, South Australia, South Africa, Namibia and Peru show the impact of revenue based royalties when there is little pre-tax profit. Those royalty rates that are greater than 100% would put the mines into a discounted cash flow loss position.

4.6 Comparison of Effective Royalty Plus Tax Rates, By Impact on Pre-Royalty and Pre-Tax Cash Flow

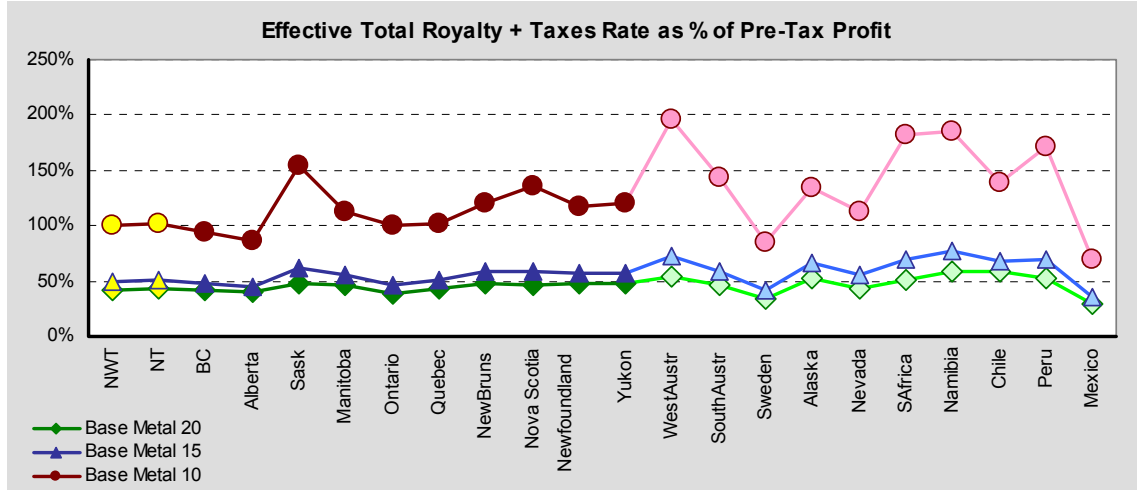
The total life-of-mine royalty rates measured as impact of royalty on pre-tax cash flow for the model mines is summarized in the following tables and graphs.

Effective Royalty Plus Tax Rates, By Impact of NPV Royalty + Taxes / NPV of Cash Flow Before Royalty and Taxes

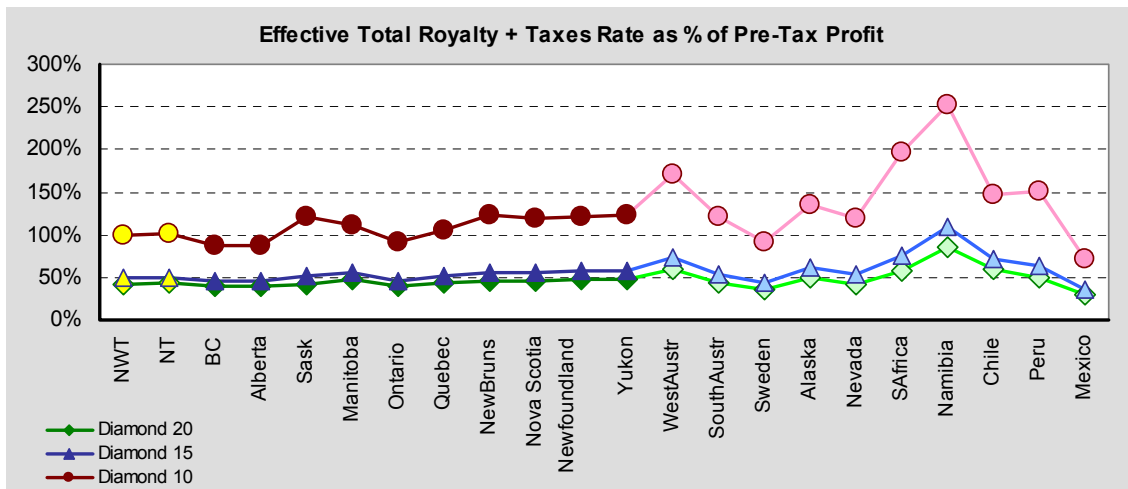
	Medium size, Base Metal Mine			Larger, Diamond Mine		
	20IRR	15IRR	10IRR	20IRR	15IRR	10IRR
Canada						
New Brunswick	48%	40%	79%	46%	37%	74%
Alberta	40%	45%	87%	39%	45%	91%
Ontario	39%	47%	100%	39%	45%	95%
British Columbia	41%	48%	95%	40%	47%	92%
Quebec	43%	48%	77%	43%	48%	78%
NWT (CMR)	42%	50%	100%	42%	49%	100%
Nunavut (CMR)	43%	51%	101%	43%	50%	102%
Manitoba	47%	55%	112%	47%	54%	110%
Newfoundland	47%	57%	117%	48%	44%	149%
Yukon	48%	57%	120%	48%	58%	126%
Nova Scotia	47%	58%	136%	45%	54%	120%
Saskatchewan	47%	62%	154%	42%	53%	125%
International						
Mexico	29%	35%	70%	30%	35%	72%
Sweden	34%	41%	84%	36%	42%	89%
NWT (CMR)	42%	50%	100%	42%	49%	100%
Nunavut (CMR)	43%	51%	101%	43%	50%	102%
Nevada, USA	44%	55%	113%	43%	56%	123%
South Australia	46%	59%	143%	43%	53%	119%
Alaska, USA	53%	66%	134%	50%	66%	142%
Chile	58%	68%	139%	60%	72%	150%
S Africa	52%	69%	182%	57%	78%	203%
Peru	52%	69%	171%	49%	64%	157%
Western Australia	54%	73%	196%	59%	73%	172%
Namibia	59%	77%	185%	86%	110%	262%

**NPV Royalty + Taxes / NPV of Cash Flow Before Royalty and Taxes,
Discounted Cash Flow at 10%**

Base Metal Mine



Diamond Mine



The lower profit mine models were configured for a profitability (IRR) of 10% after royalty and taxes for the Northwest Territories regime. At that base profitability, using a 10% discount rate results in an 100% effective royalty plus tax rate for the Northwest Territories model. Those regimes that are lower taxed will show combined total rates less than 100%, as per British Columbia, Alberta, Ontario, Sweden and Mexico. The remaining fiscal regimes studied have combined royalty and tax rates of more than 100% for the lower profit mine models, which would put them into total, life-of-mine, discounted cash flow loss positions.

The effective royalty plus tax rate results mirror those shown above for total combined royalty and taxes. Most Canadian jurisdictions, including the Northwest Territories and Nunavut (with CMR royalty), and Saskatchewan (for low profit mines), are in a mid-rank generally with the USA states, as compared with the international results, higher than in

Sweden and Mexico and lower than in Australia, and South American and African countries.

The effective royalty plus tax rates are higher for lower profit mines. This reflects a general inability of lower profit mines to use effectively some of the incentives built into the respective tax and royalty measures. In some cases, such as the USA, there are minimum corporate taxes that have more significant impact on lower profit mines. In some Canadian provinces (British Columbia, New Brunswick, Nova Scotia), there are effective minimum royalties, through the use of combination royalties having both revenue-based and profit-based components.

As an additional measure of the comparative ranking of fiscal regimes on profitability, the following table presents the impact of life-of-mine royalty plus taxes on mine profitability measured as internal rate of return (IRR). The results are consistent with those for the other rate measures – by impact of royalty on pre-tax cash flow, as above.

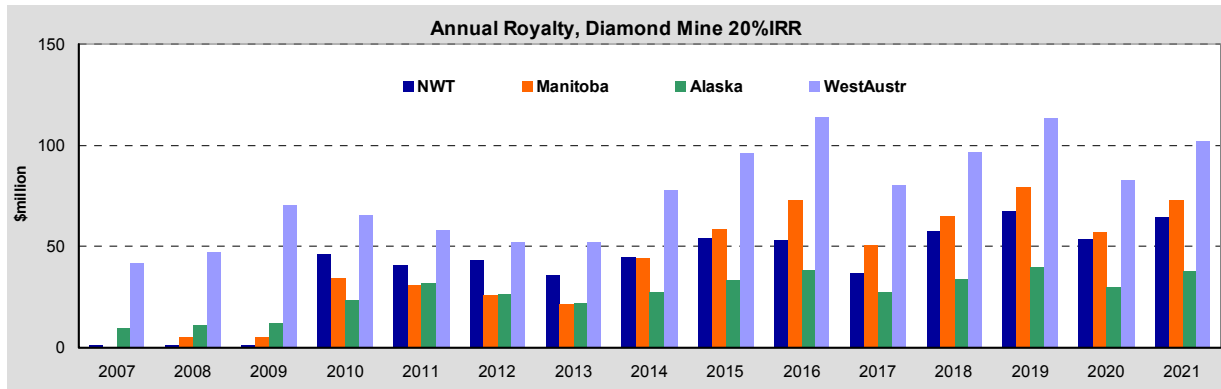
Effective Royalty Plus Tax Rates, By Impact of NPV Royalty + Taxes on IRR

	Medium size, Base Metal Mine			Larger, Diamond Mine		
	20IRR	15IRR	10IRR	20IRR	15IRR	10IRR
Canada						
New Brunswick	21%	14%	15%	20%	13%	14%
Alberta	16%	17%	17%	16%	16%	17%
Ontario	16%	18%	20%	17%	17%	18%
British Columbia	17%	18%	19%	16%	17%	17%
Quebec	17%	18%	20%	19%	19%	20%
NWT (CMR)	18%	19%	20%	18%	18%	19%
Nunavut (CMR)	18%	19%	21%	18%	18%	20%
Manitoba	20%	21%	23%	21%	21%	21%
Newfoundland	21%	22%	24%	22%	22%	23%
Yukon	21%	22%	25%	22%	23%	25%
Nova Scotia	22%	24%	28%	21%	21%	23%
Saskatchewan	22%	26%	32%	19%	21%	25%
International						
Mexico	11%	12%	13%	13%	12%	13%
Sweden	14%	15%	17%	16%	16%	17%
NWT (CMR)	18%	19%	20%	18%	18%	19%
Nunavut (CMR)	18%	19%	21%	18%	18%	20%
Nevada, USA	21%	22%	24%	20%	23%	24%
SouthAustralia	20%	23%	30%	20%	21%	23%
Chile	27%	27%	29%	29%	29%	29%
Alaska, USA	26%	28%	29%	24%	27%	28%
S Africa	25%	29%	38%	29%	33%	42%
Peru	27%	29%	36%	25%	27%	31%
West.Australia	26%	31%	42%	30%	31%	35%
Namibia	29%	33%	40%	47%	52%	60%

4.7 Comparison of Timing of Effective Onset of Royalty Payments

A small sample of jurisdiction results is shown for annual royalty payments to demonstrate the patterns of differential timing impacts of major royalty methodologies – the Northwest Territories (CMR royalty), Manitoba and Alaska have profit-based royalties, and Western Australia has a combination revenue and revenue-based royalty.

Annual Royalty through the Mine Life



The CMR, Manitoba and Alaska royalties offer the potential to go royalty-free, or almost royalty-free in early operating years while initial investment is recovered, deferring more significant royalties to later years. By contrast, the revenue-based component of the Western Australia royalty commences with substantial royalty in the first operating year and continues through the mine life, without regard to recovery of initial investment.

This difference illustrates a key advantage for industry of the profit-based royalties over revenue-based ones. Profit-based royalties allow the companies to recover much of the initial capital investment before significant royalties are incurred.

4.8 Comparison of Net, After Tax Cash Flow to the Companies

Net cash flow to the mining companies after royalty and taxes is shown in the following table and graphs.

Present Value of Net Cash Flow After Royalty and Taxes, \$million 10% Discount Rate

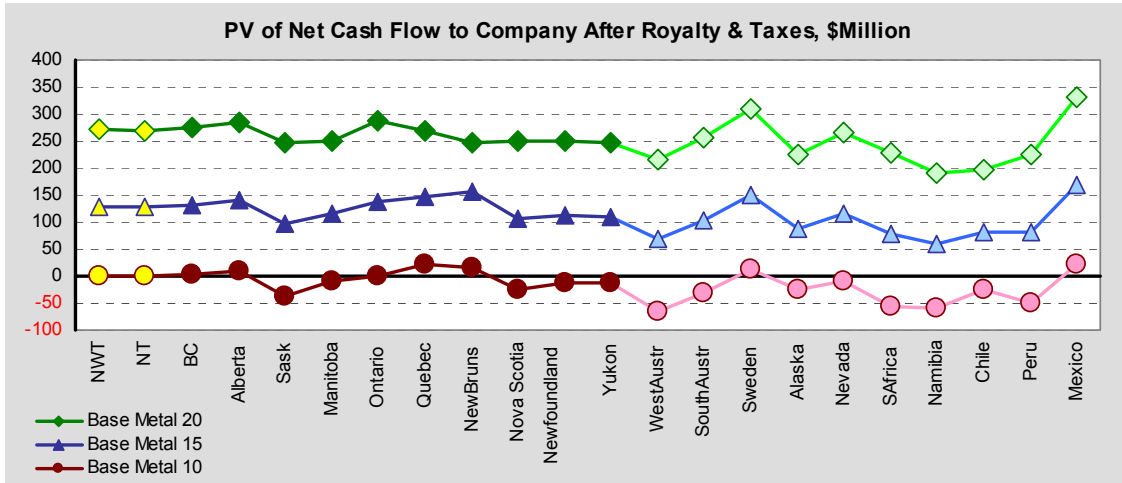
	Medium size, Base Metal Mine			Larger, Diamond Mine		
	20IRR	15IRR	10IRR	20IRR	15IRR	10IRR
Canada						
New Brunswick	246	155	15	679	423	45
Quebec	269	148	22	715	392	57
Alberta	284	140	9	766	370	16
Ontario	288	137		769	369	9
British Columbia	276	133	4	757	360	14
Northwest Terr	271	128		729	344	
Nunavut	268	127	-1	722	339	-3
Manitoba	251	116	-8	671	308	-17
Newfoundland	249	112	-12	660	295	-36
Yukon	247	110	-14	659	283	-45
Nova Scotia	250	106	-25	690	308	-35
Saskatchewan	248	97	-37	739	319	-44
International						
Mexico	332	167	21	880	436	50
Sweden	309	152	11	809	388	20
NWT (CMR)	271	128		729	344	
Nunavut (CMR)	268	127	-1	722	339	-3
Nevada, USA	266	116	-9	725	295	-41
SouthAustralia	255	105	-30	715	316	-34
Alaska, USA	224	88	-25	631	232	-73
Chile	197	81	-26	508	189	-84
Peru	225	80	-49	648	243	-98
S Africa	228	79	-56	541	150	-180
West.Australia	217	69	-65	513	184	-126
Namibia	191	60	-58	179	-70	-283

The range in net cash flow to the mining companies after royalty and taxes across Canada is fairly tight, with the highest return being about 17% above the lowest for the higher profit mines. The differences are more marked at lower profit levels. The variability in the international results is several times greater than among those within Canada. The CMR regime results are in the middle of the overall Canadian regime

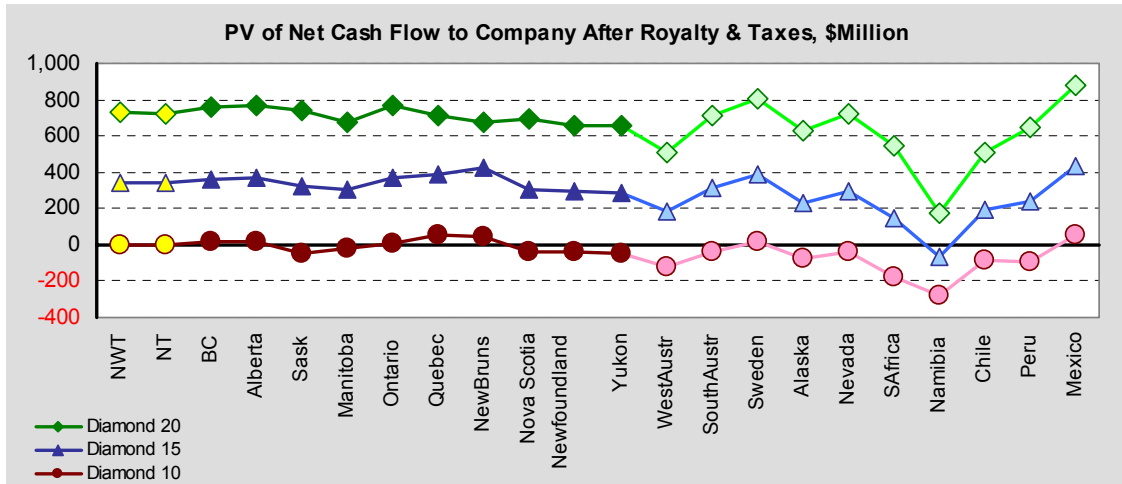
results. All of the Canadian results, including for the CMR royalty plus taxes, are mid-range of the international regimes tested.

**Total, Life-of-mine Net Cash Flow After Royalty and Taxes, \$million
Discounted Cash Flow NPV at 10%**

Base Metal Mine



Diamond Mine



5 Summary Observations

Comparative Assessment of the CMR Royalty

By all the measures tested:

- statutory royalty rates;
- total life-of-mine royalty payments for model mines;
- effective royalty plus tax payments;
- effective royalty rates;
- effective royalty plus tax rates;
- timing of onset of royalty payments; and
- net cash flow to the mining company

the CMR royalty rate is competitive within Canada and internationally. That is, it is neither the lowest nor the highest royalty rate of the regimes tested, but generally produces results in the mid-range of all the regimes.

Other Considerations for the CMR Royalty

The CMR royalty, being based on net profits, is complicated, as are all the major mineral royalties across Canada. Profit-based royalties like the CMR are an attempt to achieve complicated goals, and require a certain sophistication; it is the complexities of the sophistication that allow it to remain competitive across a wide spectrum of mine types, sizes and profitabilities.

For example, the CMR provides options to optimize the use of some deductions to minimize royalty, especially as regards the interplay amongst processing allowance, the development and depreciation allowances, offsite exploration costs, and the schedule of stepped royalty rates. A company, should it have sufficient depreciation or development allowance deductions available, may choose to use enough to reduce the royaltyable income to zero, and go royalty-free for the year. Alternately, the company may choose to optimize use of deductions for lowest royalty over several years, by maximizing its use of non-carry-forwardable processing allowance while deferring some of the capital allowance deductions to future years.

The relatively high CMR royalty peak average rate, at 13%, is at least partially a result of balancing the cost to government of the front loading of depreciation and mine development deductions through the 100% deductibility rate, while maintaining a competitive life-of-mine royalty. This has impact on mature mines, that have used up the front-loaded mine development deductions, as effective annual rates approaching the statutory rate are applied on operating profits. It should not be a surprise such mature mines, having no significant capital allowance deductions left, may believe that the CMR royalty rate is high and perhaps uncompetitive. However, these mature stage, high effective annual rates will have been balanced, over the full life of the mine, by lower royalties in the early operating years when front-loaded capital cost derived deductions were used.

The CMR royalty is not levied on top of royalty on freehold mineral rights. In most of the provinces, royalty in the form of mining tax or freehold mineral tax applies, regardless of actual ownership of mineral rights. This provides a competitive advantage to operating under the CMR.

Finally, recent changes have been made to the CMR royalty, addressing key issues raised by the mining industry relating to overlap with aboriginal mineral rights and interests, and location of mine assets and supporting facilities qualifying for inclusion in the deductible capital asset base. These continue a pattern of periodic adjustments by the federal government to respond to changing conditions in the industry.

CMR Royalty in the Context of Broader Trends

Royalty Rates

The last major reworking of the CMR royalty provisions was ten years ago. Since then, there have been conflicting trends in fiscal rents charged to resource production.

Within Canada, there has been a trend towards reduced fiscal burden on mining over the period:

- most provinces' mineral royalty rates have been fairly stable with, however, significant rate reductions in Ontario and Manitoba; these changes have not significantly affected the competitive position of the CMR royalty rate; and
- federal corporate income tax on resource income has reduced significantly from 22% to the current 19.5% on its way down to 15% by 2012, and the federal large corporation (capital) tax has been eliminated;
- many of the provinces and territories have similarly reduced corporate income tax and capital tax rates, although not by so much.

Internationally, the dominant trend in mineral royalties has been towards increased rates:

- many countries that had no mineral royalties, or only very limited or nominal royalties, then, do now; especially in South America (e.g. Chile) and Africa (e.g. South Africa);
- other countries in those regions have reworked their royalty systems, usually raising the rates; yet
- a smaller number of countries have reduced royalty rates to enhance their competitive position to attract mineral investment (e.g. Denmark).

Overall, the CMR royalty has maintained its international competitiveness largely as a result of increasing rates in countries that may be seen as competing for mineral investment and development. The CMR royalty rate has, however, not kept up with the Canadian trend towards lower overall fiscal burdens.

Trends in Royalty Structure

One aspect of mine development that has grown in complexity and cost over the past decade has been the need for the mining companies to work with aboriginal people and communities. While there is no legislative requirement for miners to negotiate and fund Impact and Benefit Agreements (IBA) with aboriginal peoples, the federal government has effectively made this a requirement for new project approval and development,

especially in the north. As noted above, the CMR royalty does not recognize IBA payments as deductible in determining royaltyable income. This is an irritant to industry.

The most recently enacted government royalty in Canada, the Ontario diamond royalty (2007), includes deductibility of IBA payments under a new, community economic development allowance, the first mineral royalty in Canada to provide for such deductions. The current Yukon government proposals to revise its mining royalty includes similar provisions. These two changes establish a trend.

This analysis did not consider the impact of deductibility of IBA payments for the Ontario and Yukon royalties on the competitiveness of the CMR royalty, as there was insufficient publicly available data on which to base the analysis.

6 Recommendations for Further Action

Address royalty competitiveness through the full mine life. While overall, the CMR royalty has maintained its competitiveness within Canada and internationally, the front loading of key deductions (depreciation allowance and development allowance) leaves more mature mines facing comparatively high annual royalty rates once those front loaded deductions have been used. Opportunities should be investigated to reduce the late-mine-life royalty rates, perhaps through spreading out the use of available deductions.

Reduce the overall fiscal burden. The CMR royalty burden has been maintained stable for the past decade. As such, it has not kept up with the Canadian trend towards lowering of fiscal burdens. The CMR royalty rate should be reviewed as relates to the overall trend in Canada towards reducing the fiscal burden on industry, i.e., as a policy direction as opposed to this study which evaluated rate competitiveness.

Provide deductibility of related IBA payments. The significant aboriginal presence and activity in the north, the effective requirements for IBA, and the increasing demand for funding of IBA, tend to indicate that further consideration should be given to including provisions in the CMR royalty similar to those in the Ontario Diamond Royalty and the Yukon (proposed) Quartz Mining Act royalty.

Appendices

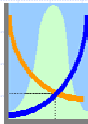
- 1 – Interim Progress Report Presentation
- 2 – Peer Review Comments by Dr. M. Doggett on the Interim Progress Report
- 3 – Discussion Notes from Review of the Interim Progress Report
- 4 – Analysis Summary Results
- 5 – Analysis Results: Medium Scale Base Metal Mine
 - a – at 20% IRR
 - b – at 15% IRR
 - c – at 10% IRR
- 6 – Analysis Results: Larger Scale Diamond Mine
 - a – at 20% IRR
 - b – at 15% IRR
 - c – at 10% IRR

Appendix 1 - Interim Progress Report Presentation

Comparative Review of the Canada Mining Regulation Royalty as Relates to National and International Competitiveness

Final progress report to the
Mining Association of Canada Diamonds Committee, and
Department of Indian Affairs and Northern Development

January 29th, 2008



David Gladwin

Two Ducks Resources -- Analysis

Outline of Presentation

1. Introduction
 - Scope of study
 - Approach to the analysis
2. Fundamentals of resource taxation
 - Income tax and capital tax
 - Royalty – key parameters, similarities and differences in approach
3. Approach to the fiscal-economic modelling
 - Fiscal-economic modelling
 - Description of the mine models
4. Analysis results and commentary
5. Summary of analysis – key observations
 - Competitiveness of the CMR
 - Working with the CMR



1) Introduction

- ◆ Scope of study
- ◆ Comparative jurisdictions included in the study
- ◆ Analysis approach



Scope of Study

- ◆ To evaluate the fiscal competitiveness of mining royalty under the Canada Mining Regulations
 - within the comparative context of the fiscal regimes applied to mining elsewhere in Canada, and
 - in selected other mineral production countries and states that may be considered competing with Canada's north for mineral investment.
- ◆ Fiscal competitiveness is evaluated on the basis of
 - stipulated, statutory rates
 - total life-of-mine royalty and total taxes
 - ◆ nominal dollars-of-the-day
 - ◆ net present value from discounted cash flow
 - annual royalty and total taxes through the mine life
 - effective fiscal burden, as
 - ◆ impact of total royalty and taxes on life-of-mine project return on investment (IRR)
 - ◆ proportion of net profit from mining, before taxes and royalty, taken in royalty and taxes
 - net cash flow to mining company

Note: The purpose of this presentation and discussion is to provide an advance look at the results of the work, and to generate feedback on the findings to date in advance of preparing the study report



Comparative Jurisdictions

◆ Canada

- NWT
- Nunavut
- British Columbia
- Alberta (base metals)
- Saskatchewan (base metals)
- Manitoba
- Ontario
 - ◆ mining tax
 - ◆ diamond royalty
- Quebec
- New Brunswick
- Nova Scotia
- Newfoundland and Labrador
- Yukon

◆ International

- USA
 - ◆ Alaska
 - ◆ Nevada
- Australia
 - ◆ Western Australia
 - ◆ South Australia
- Sweden
- South Africa
- Namibia
- Chile
- Peru
- Mexico

Note: The international comparators were chosen to reflect jurisdictions competitive to Canada in terms of having significant mining production with additional development potential, and open market economies.

Denmark-Greenland was initially designated to be included in the analysis. During the course of the study, it was noted that Denmark has eliminated its mining tax, and does not have significant mining industry to provide a valid comparator. After similarly rejecting other European possibilities due to lack of significant mining production, Peru was added to the work in replacement of Denmark-Greenland.



Mine Economics Analysis Approach

- ◆ The royalty competitiveness evaluation is made through numerical modelling of the impact of royalty and tax on life-of-project economics of hypothetical type mines
- ◆ Corporate income and capital taxes that may be considered in a similar context to royalty are included in the analysis
- ◆ Incorporates
 - mine financial configuration from 'type' mine model, applied successively to the comparator jurisdictions
 - fiscal – corporate income, capital and mining tax regimes
- ◆ Adds economic factors
 - investment horizon
 - inflation/escalation rates
 - borrowing rates
 - discount rates
 - \$Cdn:\$US exchange rate
- ◆ To enable discounted cash flow analysis, and determination of rates of return on total capital and on equity
- ◆ Model is programmed for relative ease of testing sensitivities of cost, revenue, economic and fiscal components



2) Fundamentals of Resource Taxation

- ◆ Royalty, income tax and capital tax in Canada
 - key tax parameters and interactions
- ◆ Royalty fundamentals
 - key parameters, differences in approach
- ◆ Summary of royalty parameters across Canada
- ◆ Summary of royalty and tax parameters in international jurisdictions



Royalty & Taxes on Mining in Canada

- ◆ Royalty
 - Provincial/Territorial (federal for NWT and NT)
 - May be levied in addition to private royalty
 - Various terms: royalty, resource tax, mining tax, mining duty
in this work 'Royalty' will be used as generic term for all
 - ◆ Corporate Income Tax
 - Federal
 - Provincial/Territorial
 - ◆ Capital Tax
 - Provincial – some provinces only
 - *Federal – phased out as of 2007*
-
- ◆ Not included in the study
 - Commodity, payroll, excise taxes, fees, permits, etc.
 - Municipal taxes



Corporate Income Tax

- ◆ Levied separately by the federal and provincial/territorial governments
- ◆ Based on defined 'taxable' income (or profit)
- ◆ Starting point is revenue during the year within the jurisdiction
- ◆ Less deductions for operating costs and allowances for various capital cost items
- ◆ Mining income benefits from significant front-end loaded, accelerated rates of deduction for mine exploration, development and asset costs, designed to reduce the corporate tax burden until initial capital investment is recovered (*recognition of inherent risk in mining*)
- ◆ Federal and/or provincial/territorial mining tax or resource royalty is deductible in calculation of taxable income for income tax, federal and most provinces/territories
- ◆ Federally defined taxable income used as the base for provincial income tax in most provinces (except – Ontario, Quebec, Alberta)
- ◆ Federal income tax also subject to a 4% surtax (*to be phased out by 2008*)
- ◆ Federal income tax can be reduced by tax credits, including for qualified mineral exploration
- ◆ Some provinces provide resource allowance deduction in determination of provincial income tax (instead of mining tax deduction)



Capital Tax

- ◆ Collected on the basis is invested capital – is widely seen as unfair to the highly capital intensive resource industry
- ◆ Federal government completed phase out of Large Corporation Tax in 2007
- ◆ Collected by some provinces only – Ontario, Quebec, Manitoba and Saskatchewan
 - Some provincial governments are phasing out or reducing capital taxes
 - Saskatchewan includes a royalty-like resource (mining and oil & gas) revenue surcharge on its capital tax



Interactions amongst Tax and Royalty

- ◆ There are inter-relationships amongst the different taxes
 - Crown (federal and/or provincial/territorial) royalty allowed as deduction in calculation of taxable income for corporate income tax, federal and most provinces/territories
 - Some provinces/territories provide deduction of income tax in determination of royalty (Yukon and Newfoundland & Labrador)
- ◆ Mine production may also be subject to private resource royalties
 - which are deductible by the miner in calculating federal and provincial income tax, but are usually taxable in the hands of the royalty recipient
 - which are typically not deductible for royalty, except for the mineral rights portion of the Newfoundland and Labrador Mining and Mineral Rights Tax and New Brunswick Mining Tax
 - Note – the costs of mineral property acquisition, including up front payments and trailing private royalties, are generally not deductible for crown royalty



Royalty Fundamentals

- ◆ Ownership of most minerals in most of Canada is by the "crown", as represented by provincial or territorial (or federal in the case of NWT and NT) governments
 - ◆ Relatively little of Canada's mineral wealth is privately owned (freehold)
 - freehold mineral rights usually relate to land grants pre-dating 1890
 - plus more recent mineral rights accorded to, or shared with, aboriginal groups through comprehensive land claim agreements
 - ◆ The crown typically leases or assigns rights to exploit mineral resources to developers under set conditions, which typically include requirement for payment of royalty
 - ◆ Royalty is thus a portion of mineral production "reserved" for the owner
 - ◆ In most cases, in Canada, the crown "owners" accept this reserved production as reserved share of value of, or profits from, production
-
- ◆ Royalty is not tax, it is a reservation of product to the owner of the mineral rights
 - ◆ Mining tax is royalty 'converted' to tax, and usually applied regardless of actual ownership of mineral rights



Basic Approaches to Royalty

- ◆ Government royalty is typically levied on one of these bases
 - **resource revenue** (or net resource revenue)
 - usually a percentage of revenue at the mine, less specified off-site, post-production expenses such as transportation or smelter charges
 - less operating costs (for net resource revenue)
 - **resource profits**
 - usually a percentage of profit, net of off-site, post-production expenses such as transportation or smelter charges, and net of on-site expenses such as operating costs, depreciation on capital assets, exploration and development costs and, sometimes, processing allowance
 - **a combination of the resource revenue and net resource profits**
 - usually the greater of a defined percentage of revenue at the mine, or a defined percentage of profit
 - **production quantities**
 - typically used for quarried, industrial minerals, such as salt, aggregates and building stone, and coal, with rate set as a value per quantity of production
 - use of this royalty methodology has declined in recent years



Summary of Methodology Applied for Royalty

	<u>Canada</u>	<u>International</u>
◆ Net revenue based	NS	Western Australia, South Australia, Sweden, South Africa, Namibia, Peru, Chile
◆ Net profits based	Yukon, NWT, NT, Sask, Man, Ont, Que, NS, Nfld	Alaska, Nevada
◆ Combination of net revenue and net profits	BC, Alta, Sask, NB	
◆ Production based (typically for industrial minerals or coal only)	Alta, Sask, Ont, NB, NS	

Note: jurisdictions appearing more than once in this listing reflects having different royalty structures for specific minerals, for example NS, Sask and Ontario



Incentives Embedded in Royalty

- ◆ Tax and royalty on mining often include incentives to encourage mine development, including
 - holidays (for example, in Saskatchewan and Manitoba)
 - reduced rates (for example, in Ontario and Quebec remote mines provisions)
 - allowance of accelerated rates of depreciation on pre-production capital assets, exploration and development for new mines
 - two-stage royalty, with higher stage becoming effective only on achievement of payout, or return of initial capital
 - exploration inducements, gross-up of costs for deduction, rebates
- ◆ These are typically expected to allow recovery of initial capital investment before royalty becomes due
- ◆ As a result of the various deductions and incentives available mines can be royalty-free in early years
- ◆ This deferral of mining tax or royalty reduces the life-of-mine effective rates of a royalty to significantly less than specified statutory rates
- ◆ Payback for these incentives comes when accelerated deductions are used up, the operation must then pay mining tax or royalty at (higher) statutory rates



Royalty Terms Vary among Provinces

- ◆ Most provinces have a common royalty regime, levying royalty at a standard rate or rate structure on all or most mineral production
- ◆ Others levy mineral royalty at different rates for different mineral commodities (e.g. Saskatchewan, Nova Scotia, Ontario)
 - different rates for (general or) metallic minerals, specified industrial minerals, placer gold production, and for potash, other salts, aggregates or building stone.
 - petroleum royalty rates usually differ significantly from and are higher than those for hard minerals



Royalty Notes – CMR: NWT & NT

◆ Northwest Territories and Nunavut

- Canada Mining regulation, administered by the federal government
- net profits based
- stepped scale of royalty rate
 - from 5% of annual net profit above \$10,000
 - escalating at 1% per \$5 million of net profit, to maximum 14% (*for net profit above \$45 million*)
 - subject to an overall maximum rate on all net profit of 13% (*for profit above \$220 million*)
- 100% depreciation and exploration (& mine development) allowance rates
- offsite exploration deductible in-the-year, to a cap of 10% of net income
- allows depreciation and operating costs for capital facilities located outside the territories
- requires government valuation of diamond production for royalty (*this process is under review pending results of the Richter Report*)
- processing allowance, to a limit of 65% of royaltyable income
- allows operators to selectively apply deductions to
 - ♦ minimize royalty in-the-year, or
 - ♦ minimize total royalty over the life-of-the-mine
- under land claims agreements royalty from crown lands is shared with aboriginal groups in the NWT and Nunavut – *changes to the CMR require consultations with the respective aboriginal groups*



Royalty Notes – BC & Alberta

◆ British Columbia

- combination, two stage mining royalty
 - first stage based on 2% of net revenue and second stage based on 13% of net profit
 - overall royalty is the greater of the two stages (accumulated first stage payments are a deduction against second stage royalty)
 - the first stage, revenue-based, mining tax ensure some royalty to the province in every operating year
- all allowed deductions in a single deduction pool with carry-forward
- an operator may file a consolidated royalty return for all mines in the province

◆ Alberta

- general minerals – combination net revenue and net profit royalty
 - the greater of 1% of net revenue (mine mouth revenue) or 12% of net profit (net revenue)
 - mine mouth revenue is gross revenue less costs incurred between the mine mouth and point of sale
 - net profit royalty part applies after payout has been achieved (accelerated deduction of initial project capital costs)
- separate mineral royalty provisions for certain specified minerals, including coal, placer minerals (rate per production quantity), quarriable minerals (rate per production quantity) and salt (rate per production quantity) plus oil and gas (combination net revenue and net profit base)
- a separate tax on freehold mineral rights



Royalty Notes – Saskatchewan & Manitoba

◆ Saskatchewan

- net profits based for base metals and diamonds, being levied at a rate of 5% or 10%, depending on the cumulative amount of production from mining
- royalty holiday until a mine has recovered 150% of initial exploration and development costs (accelerated deduction of initial project capital costs)
- special additional royalty and resource capital tax calculations and rates for specified minerals (uranium, potash, subsurface salts)
- incorporates an additional, royalty-like net revenue-based surcharge to Capital Tax at 3% of resource revenues

◆ Manitoba

- net profits based
- 18% of net income from mining operations
- royalty holiday until initial, preproduction capital has been recovered (accelerated deduction of initial capital costs)
- depreciation must be taken during the royalty holiday period



Royalty Notes – Ontario

◆ Ontario

◆ Mining Tax (for all major minerals except diamonds)

- net profits based
- 10% of net profits from most mining operations
- a reduced rate of 5% for qualifying remote mines
- an operator may file a consolidated royalty return for all qualifying mines in the province
- separate royalty provisions for other specified minerals, including diamonds, some industrial minerals, aggregates, building stone, solution mined salt, natural gas and oil

◆ Diamond Royalty

- new in 2007, based on the CMR
- net profits based
 - stepped scale from 5% of annual net profit above \$10,000
 - escalating at 1% per \$5 million of net profit, to maximum 14% of net profit above \$45 million,
 - subject to an overall maximum rate on all net profit of 13%
- accelerated 100% depreciation and exploration (& mine development) allowance rates
- additional deductions for social development contributions and Impact and Benefit Agreement payments



Royalty Notes – Quebec & New Brunswick

◆ Quebec

- net profits based
- 12% of net profits from mining operations
- refundable royalty credit for certain exploration and mine development expenses
- reduced royalty for 10 years for qualifying northern, remote mines

◆ New Brunswick

- combination, two stage mining royalty
 - first stage based on 2% of net revenue
 - second stage based on 16% of net profit
 - overall royalty is the sum the amounts calculated under the two stages, however, the first stage royalty is deductible from revenue in determining net profit for the second stage royalty
- new mines benefit from an initial two-year royalty holiday
- mineral rights royalty on royalty revenue of a private royalty rights holder net of costs and qualifying exploration expenses
- separate royalty provisions, generally production quantity-based, for other specified minerals, including coal, aggregates, building stone, gypsum, potash and salt



Royalty Notes – Nova Scotia & Newfoundland

◆ Nova Scotia

- combination, two stage mining royalty
 - first stage based on 2% of net revenue
 - second stage based on 15% of net profit
 - overall royalty is the greater of the amounts calculated under the two stages
- different royalty rates and rate bases, depending on respective minerals
 - net revenue based (gold, silver, limestone, celestite)
 - production quantity based (coal, anhydrite, barite, salt, silica)
 - net profit based royalty for gypsum production

◆ Newfoundland & Labrador

- two-stage mining royalty
 - first stage based on 15% of 80% of net mining profit
 - second stage based on 20% of 20% of net mining profit net less private royalty paid
 - overall royalty is the sum the amounts calculated under the two stages
- new mines may benefit from a corporate income tax credit against mining royalty, to a limit of \$20 million
- mineral rights royalty on royalty revenue of a private royalty rights holder net of costs and qualifying exploration expenses



Royalty Notes – Yukon

- ◆ Yukon Quartz Mining Act
 - net profit based
 - royalty provisions are somewhat archaic and anachronistic – confusing to new users (almost everyone)
 - pre-production exploration/development deductible only in-the-year expended with no carry forward, thus limited effective deductibility
 - deduction of actual operating costs and depreciation of capital for processing, rather than processing allowance
 - corporate income tax is a deduction
 - open-ended escalation of royalty rate
 - from 3% of annual net profit above \$10,000 to \$1 million
 - escalating to 5% for net profit between \$1 million and \$5 million
 - continuing to escalate at 1% per additional \$5 million of net profit with no cap
 - at annual profit of \$480 million, the royalty rate reaches 100%
 - an operator may consolidate revenues and costs for all mines in the territory in which the operator has an interest and file a single royalty return
 - capital costs for pre-production exploration/development at a new mine may be deducted from income at a concurrently operating mine, in-the-year
 - unclear how to treat multiple filers (joint venture) on one physical mine



Statutory Rates of Royalty

Canada

CMR (NWT & NT)	stepped scale up to 13%NP
BC	2%NR or 13%NP
Alberta	1%NR or 12%NP
Saskatchewan	3%NR + 10%NP
Manitoba	18%NP
Ontario metals	10%NP
Ontario diamonds	stepped scale up to 13%NP
Quebec	12%NP
New Brunswick	2%NR + 16%NP
Nova Scotia	2%NR or 15%NP
Newfoundland	16%NP
Yukon	stepped scale, no cap

International

West.Australia metals	5%NR
West.Australia diamonds	7.5%NR or 22.5%NP
SouthAustralia	up to 3.5%NR
Alaska, USA	up to 7%NR + 3%NP
Nevada, USA	5%NP
Sweden	0.2%NR
S Africa metals	4%NR
S Africa diamonds	5%NR
Namibia metals	3%NR
Namibia diamonds	10%NR
Chile	5%NR
Peru	up to 3%NR
Mexico	none

Notes: NP = Net Profit based royalty

NR = Net Revenue based royalty



Statutory vs. Effective Rates of Royalty

Comparison of Statutory and Effective Royalty Rates
For Life-of-Project at a Moderately Profitable Gold Mine
(results from other studies)

	Statutory Royalty Rate (%)	Effective Royalty Rate (by impact on IRR) (%)
NWT/Nunavut (CMR)	5 to 14, max 13	5.6
British Columbia	2 / 13	7.6
Manitoba	18	5.6
Ontario	14	8.0
Quebec	12	7.7
Newfoundland & Labrador	15 / 20	5.0



3) Approach to fiscal-economic modelling

- ◆ Fiscal-economic modelling
- ◆ 'Type' mine model approach
- ◆ Description of the type mine model inputs
- ◆ Key fiscal and economic parameters



Approach to Mining Fiscal Modelling

- ◆ Aim to prepare a comprehensive "picture" of the life-of-mine mine cash flows
 - annual results build up the life-of-mine totals
 - before royalty and tax
 - after royalty and tax
- ◆ Incorporate
 - all significant project costs and revenues, including financing
 - realistic economic parameters, inflation, financing rates, discounting
- ◆ Treat tax and royalty as significant costs
 - rigorous, automated mathematical definition
 - available deductions and tax/royalty strategy "optimized"
- ◆ Economic analysis, discounted cash flow approach
 - cost and revenue inputs are made in constant \$, everything is from a common base
 - costs and revenues are escalated to \$ of-the-year values (nominal \$)
 - results are discounted back to Present Values as of the beginning of the analysis period to enable meaningful comparison between values from different time periods



'Type' Mine Model Approach

- ◆ Hypothetical mines simulate real world mine project characteristics
- ◆ For this analysis, type models used
 - mid-size, base metal mines
 - larger scale diamond mine
- ◆ Developed through amalgamation of data from many mines previously analysed, with data collated and masked to be not clearly linked to any single mine
- ◆ Incorporates capital and operating cost structure, for
 - detailed exploration
 - mine development and equipment/plant
 - mill/mineral processing plant
 - some infrastructure
 - annual sustaining capital
- ◆ Baseline revenues set for pre-programmed rates of return each mine model, at 20% and 10% IRR before royalty and tax
- ◆ Revenue 'adjusted' annually about the target levels to test impact of varying annual revenues, reflecting changing commodity prices, on royalty and taxes
 - sequence of variation: nc, +10%, +20%, +10%, nc, -10%, -20%, -10%, nc, ...



'Type' Model Mine Descriptions

Summary Mine Description

	Medium Scale Base Metal Mine	Larger Scale Diamond Mine
Mine operating life (years)	15	15
Duration of Mine Development	3	3
Annual Gross Revenue Base (\$)		
20% IRR Before Tax	310,700,000	457,000,000
10% URR Before Tax	273,400,000	336,000,000
Annual Operating Costs (\$)	215,000,000	143,000,000
Mining costs as % of Operating Costs	34%	65%
Capital Costs (\$)		
Exploration (before development)	37,500,000	225,000,000
Initial mine development	80,000,000	250,000,000
Sustaining mine development		250,000,000
Infrastructure	40,000,000	75,000,000
Initial mining plant & equipment cost	80,000,000	275,000,000
Initial milling plant & equipment cost	150,000,000	375,000,000
Total Initial Capital Investment	400,000,000	1,200,000,000
Private NSR Royalty Rate	1.0%	0.0%
Sustaining capital, annual rate %	3%	3%



MineTax Model

- ◆ Model generates year-by-year revenue, capital and operating cost schedules
- ◆ Incorporates inflation/escalation factors for conversion of constant dollar inputs to nominal dollars-of-the-year, and discounted cash flow
- ◆ Lead-in to modules that calculate annual
 - royalty
 - federal income tax
 - territorial/provincial income tax and capital tax
- ◆ Calculate annual cash flow projections before and after tax and royalty
- ◆ Graphical output for key parameters (revenue, cash flow, royalty, tax) showing certainty range for each year and project total



Fiscal Parameters – Federal Income Tax

	2007	2008	2009	2010+
Corporate income tax rate	28%	27.5%	27.0%	26.0%
Resource income tax rate reduction	-7%	-7%	-7%	-7%
Corporate income tax surtax rate	4%	0%	0%	0%
Net corporate income tax rate	21.8%	20.5%	20.0%	19.0%
Large corporation tax rate	0%	0%	0%	0%
Resource Allowance	0%	0%	0%	0%
Accelerated Capital Cost Allowance (ACCA)	100%	100%	100%	100%
Capital Cost Allowance, Class 41a (CCA)	25%	25%	25%	25%
Canadian Exploration Expense (CEE)	100%	100%	100%	100%
Canadian Development Expense (CDE)	30%	30%	30%	30%
Atlantic & Gaspé Investment Tax Credit	10%	10%	10%	10%
Provincial Mining Tax Deduction (federal)	100%	100%	100%	100%
Canadian Exploration Expense Tax Credit	10%	10%	10%	10%



Statutory Income Tax Rates

Canada

	Federal	Provincial/ Territorial	Combined
Northwest Terr	19%	11.5%	30.5%
Nunavut	19%	12%	31%
British Columbia	19%	12%	31%
Alberta	19%	10%	29%
Saskatchewan	19%	10%	29%
Manitoba	19%	13%	32%
Ontario metals	19%	12%	31%
Quebec	19%	11.9%	30.9%
New Brunswick	19%	12%	31%
Nova Scotia	19%	12%	31%
Newfoundland	19%	14%	33%
Yukon	19%	15%	34%

International

Country/State	Rates
West Australia	30.0%
South Australia	30.0%
Alaska, USA	35% + 9.4%
Nevada, USA	35% + 0%
Sweden	28.0%
S Africa	29% + 5%
Namibia	35% to 55% + 10%
Chile	17% + 42%
Peru	30.0%
Mexico	28% + 10%



Fiscal Parameters General Economic Parameters

Base Year, commencement of production	2007
Number of years of mine production	15
Discount rate for discounted cash flow analysis (real)	10%
Debt:Total Initial Capital Investment	50%
Annual interest rate on corporate debt, Cdn business prime rate	4.25%
Inflation/Escalation	
Annual escalation rate for operating costs and value of money	2.00%
Annual escalation rate for capital costs	2.00%
Annual escalation rate for mine revenues	2.00%

Notes:

- Pre-production interest expenses are capitalized
- Debt scheduled for repayment in equal annual instalments over 5 years
- Shortfall in meeting annual debt repayment is added to debt,
with payments rescheduled over remaining term
- All expenses after onset of production paid from cash flow



4) Analysis Results and Commentary

- ◆ Comparative results, within Canada and internationally
 - Life-of-mine total royalty
 - Life-of-mine total royalty and taxes
 - Effective fiscal burden
 - ◆ combined tax and royalty as impact on IRR
 - ◆ royalty and taxes as a proportion of net profit before royalty and tax
 - Net cash flow to mining company after royalty and taxes
 - Annual royalty and combined royalty and taxes through a mine life
 - Allocation fiscal payments amongst federal and provincial/territorial income tax, capital tax and royalty



Life-of-mine Royalty, \$million

Nominal \$ (of-the-day)

Canada	BaseMetal 20IRR	BaseMetal 10IRR	Diamond 20IRR	Diamond 10IRR
Northwest Terr	113	30	427	129
Nunavut	113	30	427	129
British Columbia	154	62	485	182
Alberta	92	20	396	138
Saskatchewan	48	16	190	87
Manitoba	111	29	476	120
Ontario	104	39	378	106
Quebec	121	40	399	133
New Brunswick	202	81	629	237
Nova Scotia	176	111	532	228
Newfoundland	153	55	526	188
Yukon	162	74	1,268	452

Country/ State	BaseMetal 20IRR	BaseMetal 10IRR	Diamond 20IRR	Diamond 10IRR
West.Australia	284	250	852	466
SouthAustralia	169	149	249	183
Alaska, USA	85	36	303	119
Nevada, USA	70	38	228	123
Sweden	11	10	17	12
S Africa	228	200	837	615
Namibia	171	150	837	615
Chile	57	23	188	78
Peru	171	150	251	185
Mexico	0	0	0	0

Present Value

Canada	BaseMetal 20IRR	BaseMetal 10IRR	Diamond 20IRR	Diamond 10IRR
Northwest Terr	37	8	137	32
Nunavut	37	8	137	32
British Columbia	53	19	161	55
Alberta	29	9	133	40
Saskatchewan	10	4	42	18
Manitoba	39	10	162	38
Ontario	37	11	120	26
Quebec	41	12	130	37
New Brunswick	69	28	211	75
Nova Scotia	70	47	194	80
Newfoundland	58	18	196	60
Yukon	86	40	623	220

Country/ State	BaseMetal 20IRR	BaseMetal 10IRR	Diamond 20IRR	Diamond 10IRR
West.Australia	125	110	339	204
SouthAustralia	65	57	95	70
Alaska, USA	33	15	117	49
Nevada, USA	30	17	93	50
Sweden	5	4	7	5
S Africa	100	88	366	269
Namibia	75	66	366	269
Chile	22	8	71	24
Peru	75	66	110	81
Mexico	0	0	0	0



Life-of-mine Royalty + Tax, \$million

Nominal \$ (of-the-day)

Canada	BaseMetal 20IRR	BaseMetal 10IRR	Diamond 20IRR	Diamond 10IRR
Northwest Terr	426	162	1,429	545
Nunavut	432	165	1,447	553
British Columbia	458	186	1,477	581
Alberta	395	147	1,344	518
Saskatchewan	485	242	1,429	633
Manitoba	460	181	1,572	596
Ontario	400	163	1,312	495
Quebec	419	162	1,350	506
New Brunswick	473	178	1,526	566
Nova Scotia	454	200	1,464	563
Newfoundland	458	168	1,520	559
Yukon	496	208	2,107	813

Country/ State	BaseMetal 20IRR	BaseMetal 10IRR	Diamond 20IRR	Diamond 10IRR
West.Australia	531	303	1,702	766
SouthAustralia	450	233	1,279	568
Alaska, USA	456	174	1,476	578
Nevada, USA	391	155	1,253	513
Sweden	318	127	1,044	420
S Africa	497	281	1,704	903
Namibia	554	277	2,546	1,173
Chile	516	198	1,714	672
Peru	469	252	1,326	614
Mexico	278	108	928	370

Present Value

Canada	BaseMetal 20IRR	BaseMetal 10IRR	Diamond 20IRR	Diamond 10IRR
Northwest Terr	144	46	474	156
Nunavut	146	47	480	158
British Columbia	155	51	486	159
Alberta	131	42	440	138
Saskatchewan	187	95	502	214
Manitoba	163	56	543	185
Ontario	142	52	442	153
Quebec	142	46	443	139
New Brunswick	162	65	517	196
Nova Scotia	165	81	511	205
Newfoundland	162	60	532	196
Yukon	193	78	878	326

Country/ State	BaseMetal 20IRR	BaseMetal 10IRR	Diamond 20IRR	Diamond 10IRR
West.Australia	206	121	632	281
SouthAustralia	163	77	458	177
Alaska, USA	190	72	578	202
Nevada, USA	165	65	494	180
Sweden	113	36	370	121
S Africa	201	112	665	344
Namibia	220	105	953	414
Chile	194	61	622	189
Peru	206	112	560	252
Mexico	92	27	306	96



Life-of-mine Net Cash Flow to Company, \$million

Nominal \$ (of-the-day)

Canada	BaseMetal 20IRR	BaseMetal 10IRR	Diamond 20IRR	Diamond 10IRR
Northwest Terr	717	305	2,359	1,026
Nunavut	712	302	2,342	1,018
British Columbia	685	282	2,311	991
Alberta	749	320	2,444	1,054
Saskatchewan	658	224	2,359	938
Manitoba	684	286	2,216	975
Ontario	743	304	2,477	1,076
Quebec	724	305	2,438	1,065
New Brunswick	676	293	2,262	1,005
Nova Scotia	689	267	2,324	1,008
Newfoundland	690	303	2,268	1,012
Yukon	648	259	1,682	755

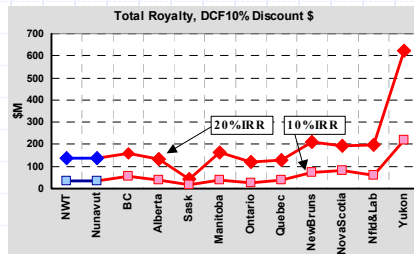
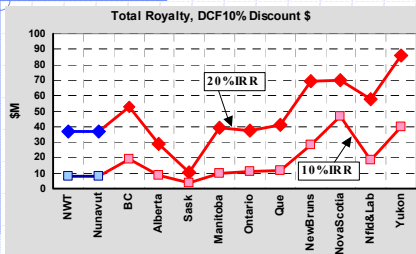
Country/ State	BaseMetal 20IRR	BaseMetal 10IRR	Diamond 20IRR	Diamond 10IRR
West.Australia	613	162	2,087	804
SouthAustralia	693	234	2,509	1,003
Alaska, USA	691	297	2,319	998
Nevada, USA	756	315	2,542	1,064
Sweden	826	340	2,745	1,152
S Africa	647	185	2,085	666
Namibia	589	189	1,240	395
Chile	623	265	2,063	887
Peru	674	215	2,462	953
Mexico	865	359	2,860	1,202

Present Value

Canada	BaseMetal 20IRR	BaseMetal 10IRR	Diamond 20IRR	Diamond 10IRR
Northwest Terr	141	-57	454	-199
Nunavut	139	-58	447	-202
British Columbia	130	-62	441	-203
Alberta	154	-53	487	-182
Saskatchewan	98	-107	425	-258
Manitoba	122	-67	384	-229
Ontario	143	-63	485	-196
Quebec	143	-57	483	-183
New Brunswick	125	-74	409	-241
Nova Scotia	120	-93	415	-249
Newfoundland	126	-68	396	-240
Yukon	92	-89	49	-372

Country/ State	BaseMetal 20IRR	BaseMetal 10IRR	Diamond 20IRR	Diamond 10IRR
West.Australia	79	-133	295	-326
SouthAustralia	122	-88	469	-220
Alaska, USA	98	-81	354	-241
Nevada, USA	123	-73	438	-219
Sweden	172	-47	557	-165
S Africa	84	-124	262	-390
Namibia	65	-117	-28	-460
Chile	88	-75	296	-242
Peru	79	-124	367	-298
Mexico	193	-38	621	-139

Life-of-mine Total Royalty, Present Value \$Million Canadian Comparisons

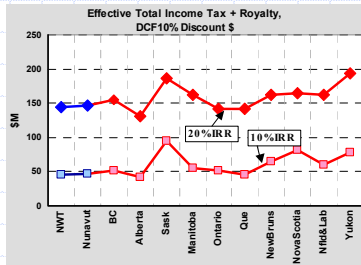


Base Metal Mine

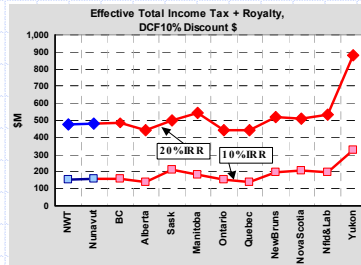
Diamond Mine

- ◆ The CMR royalty, as shown for NWT and NT, is in a central core group of royalties, fairly close to those for BC (diamonds), Alberta, Manitoba, Ontario and Quebec, lower than those for BC (base metals), NB, NS, Nfld and Yukon and higher than those for Sask
- ◆ The Sask royalty is very low as a result of the gross-up of initial mine development capital costs for deduction, and it is noted that Sask has a second tier of royalty included as a resource surcharge on capital tax, which is not included in these graphs
- ◆ The NB and NS royalties, that are higher than the core group, are net revenue-based royalties, while the others are net profits based
- ◆ The Yukon royalty is higher, especially for the larger diamond mine because of its unbounded royalty rate ladder that increases with increased profit

Life-of-mine Total Tax + Royalty, Present Value \$Million Canadian Comparisons



Base Metal Mine

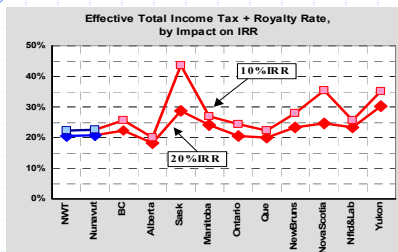


Diamond Mine

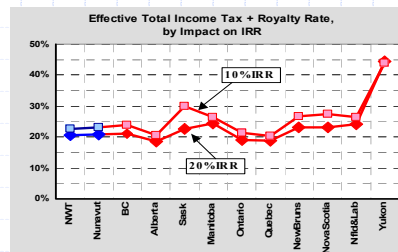
- ◆ The CMR royalty + tax for NWT and NT, is in a central core group of royalties, fairly close to those for BC, Ontario and Quebec, lower than those for Manitoba, NB, NS, Nfld and Yukon and higher than those for Alberta
- ◆ The Sask royalty + tax has increased to above the central core group as a result of the resource surcharge on capital tax
- ◆ The NB, NS and Nfld royalties + tax, while still higher than the core group, are closer to the core group as a result of favourable federal tax credits for capital investment in Atlantic Canada
- ◆ The Yukon royalty + tax remains higher, especially for the larger diamond mine because of its unbounded royalty rate ladder that increases with increased profit



Life-of-mine Effective Total Tax + Royalty Rates, by Impact on IRR, Canadian Comparisons



Base Metal Mine

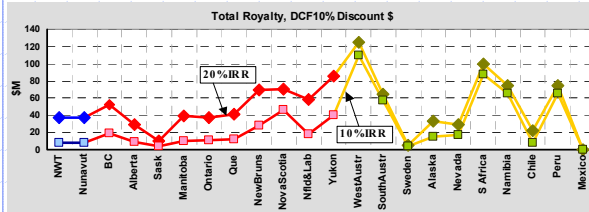


Diamond Mine

- ◆ Royalty + tax rates are generally higher for lower profit mines than higher profit mines, reflecting an inability of lower profit mines to effectively use available integrated incentives in royalty and taxes
- ◆ The royalty + tax rate for NWT and NT (including the CMR royalty) is in a central core group of provincial rates, fairly close to those for BC, Ontario and Quebec, lower than those for Manitoba, NB, NS, Nfld and Yukon and higher than those for Alberta
- ◆ The Sask royalty + tax rate is higher than the central core group as a result of the resource surcharge on capital tax, which shows up especially for the lower profit models
- ◆ The NB, NS and Nfld royalties + tax, while still higher than the core group, are closer to the core group as a result of favourable federal tax credits for capital investment in Atlantic Canada
- ◆ The Yukon royalty + tax remains higher, especially for the larger diamond mine because of its unbounded royalty rate ladder that increases with increased profit

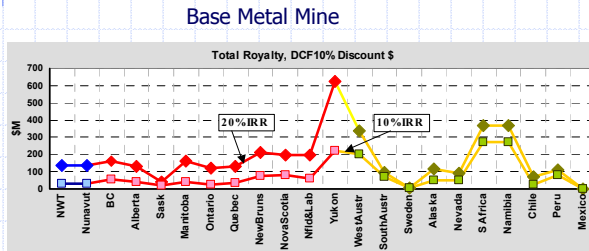


Life-of-mine Total Royalty, Present Value \$Million Canadian + International Comparisons



- There is significantly greater variation amongst the international comparators, than within Canada

- Most Canadian jurisdictions, including the NWT and NT (with CMR royalty) are in a mid-rank as compared with the international results, in a grouping with the USA states that also use net profit-based royalty methodologies

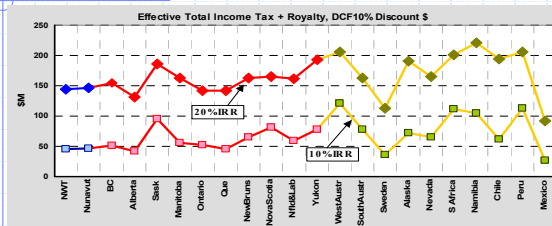


- A couple of countries, Mexico and Sweden, have no or very low rates of royalty, placing them below Canadian results

- The higher royalty-rate countries generally have revenue-based royalties, demonstrating also comparatively little difference in royalties between lower and higher profit mines

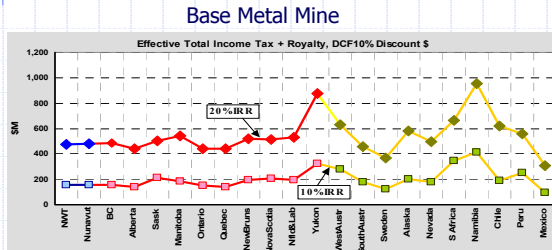


Life-of-mine Total Tax + Royalty, Present Value \$Million Canadian + International Comparisons



- The significant variation in royalty amongst the international comparators, as shown in the previous slide, is substantially buffered when total income tax is included

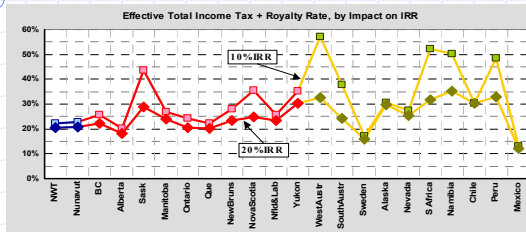
- There remains greater variability internationally than within Canada, but it is less pronounced than with just royalty



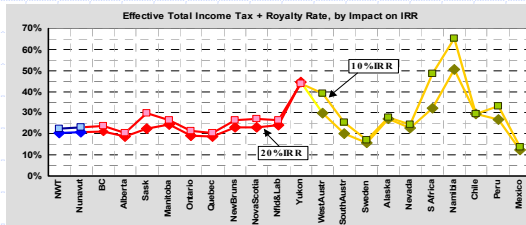
- Most Canadian jurisdictions, including the NWT and NT (with CMR royalty), and excepting Yukon, are in a mid-rank as compared with the international results, higher than in Sweden and Mexico



Life-of-mine Effective Total Tax + Royalty Rates, by Impact on IRR, Canadian + International Comparisons



Base Metal Mine



Diamond Mine



- There is greater variability in effective tax + royalty rates internationally than within Canada
- Most Canadian jurisdictions, including the NWT and NT (with CMR royalty), and excepting Yukon and Sask (for low profit mines), are in a mid-rank as compared with the international results, higher than in Sweden and Mexico
- The highest royalty and tax rate jurisdictions, especially evident for the lower profit mine models, all use revenue-based royalties

Statutory vs. Effective Rates of Royalty

Statutory and Effective Life-of-Mine Combined Royalty and Tax Rates (average of models tested)

Canada	Statutory Rates				Effective Impact on (IRR)	Statutory Rates			Effective Impact on (IRR)
	Federal Tax	Provincial Tax	Royalty	Combined		Tax	Royalty	Combined	
Northwest Terr	19%	11.5%	13%	43.5%	21.4%	30%	22.5%	52.5%	47.7%
Nunavut	19%	12%	13%	44%	21.8%	30%	3.5%	34%	26.9%
British Columbia	19%	12%	13%	44%	23.2%	44.4%	10%	54%	28.9%
Alberta	19%	10%	12%	41%	19.3%	35%	5%	40%	25.0%
Saskatchewan	19%	10%	13%	42%	31.2%	28%	0.2%	28%	16.5%
Manitoba	19%	13%	18%	50%	25.4%	34%	5%	39%	34.4%
Ontario	19%	12%	13%	44%	21.6%	55%	10%	65%	58.1%
Quebec	19%	11.9%	12%	42.9%	20.4%	57%	5%	62%	29.8%
New Brunswick	19%	12%	18%	49%	25.2%	30%	3%	33%	35.3%
Nova Scotia	19%	12%	16%	47%	27.6%	30.8%	0%	31%	12.8%
Newfoundland	19%	14%	16%	49%	24.9%				
Yukon	19%	15%	15%	49%	38.5%				
West Australia									
South Australia									
Alaska, USA									
Nevada, USA									
Sweden									
S Africa									
Namibia									
Chile									
Peru									
Mexico									

Where there are multiple rates in a jurisdiction for any royalty or tax constituent, the highest rate reflective of the scale of profitability of the type mine models is used for statutory numbers above

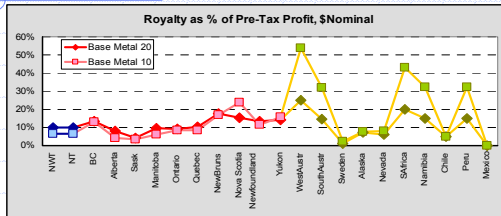
Several of the royalty rates for international jurisdictions are net revenue values, that tend to be understated when combined with tax rates based on net profit for combined rates

The effective rates are determined by the reduction to before royalty and tax IRR as a result of royalty and tax

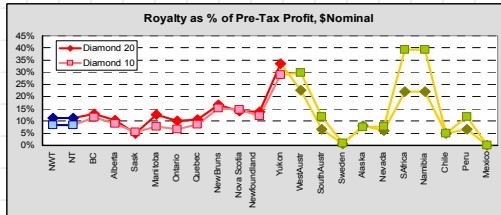
The results shown are averages from the 4 type mine model analyses run



\$Nominal Royalty as % of Pre-Tax Profit Canadian + International Comparisons



Base Metal Mine

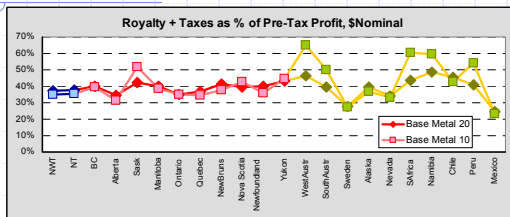


Diamond Mine

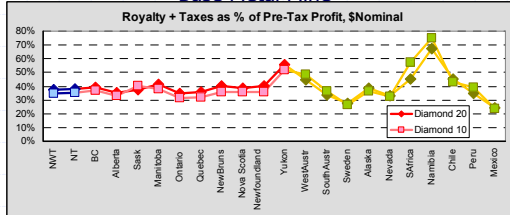
- There is greater variability shown for royalty internationally than within Canada
- Most Canadian jurisdictions, including the NWT and NT (with CMR royalty), and excepting Yukon (base metal mines), are in a mid-rank as compared with the international results, higher than in Peru, Sweden and Mexico, and generally lower than most others
- The highest royalty and tax rate jurisdictions, excepting Yukon, all use revenue-based royalties



\$Nominal Royalty + Tax as % of Pre-Tax Profit Canadian + International Comparisons



Base Metal Mine

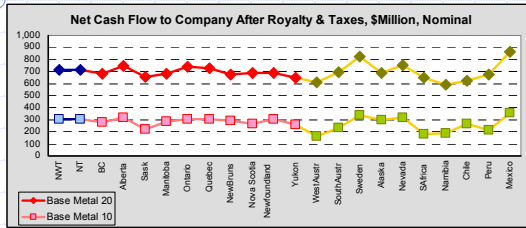


Diamond Mine

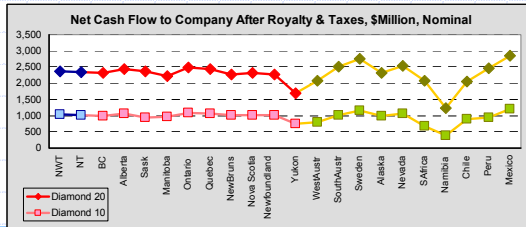
- There significant variation in royalty amongst the international comparators, as shown in the previous slide, is substantially buffered when income tax is included
- There remains greater variability internationally than within Canada, but it is less pronounced than with just royalty
- Most Canadian jurisdictions, including the NWT and NT (with CMR royalty), and excepting Yukon (diamond mines) and Sask (base metal mines), are in a mid-rank as compared with the international results, higher than in Sweden, Mexico and Nevada, and generally lower than most others
- The highest royalty and tax % jurisdictions, excepting Yukon, all use revenue-based royalties



Life-of-Project Net Cash Flow to Company After Royalty & Taxes, \$Nominal (of-the-year)



Base Metal Mine

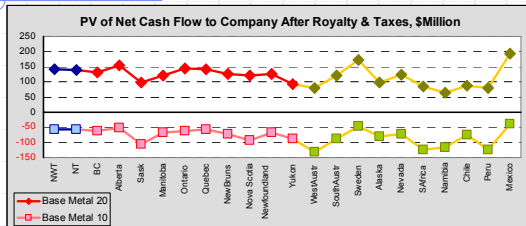


Diamond Mine

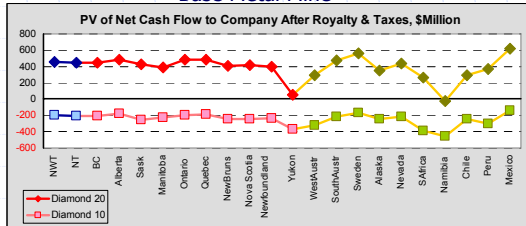


- ◆ Net cash flow to companies is generally within a fairly tight range amongst most of the jurisdictions, both within Canada and internationally
- ◆ Most Canadian jurisdictions, including the NWT and NT (with CMR royalty) are in a mid-rank as compared with the international results, lower than in Mexico, Sweden and Nevada
- ◆ The most attractive jurisdictions, with highest cash flow results, are Mexico, Sweden and Nevada
- ◆ The least attractive, with lowest cash flows, are Namibia, South Africa, Western Australia (base metal mines) and Yukon (diamond mine)

Life-of-Project Net Cash Flow to Company After Royalty & Taxes, Present Value (10% Discount Rate)



Base Metal Mine

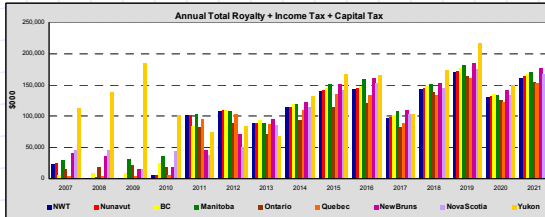
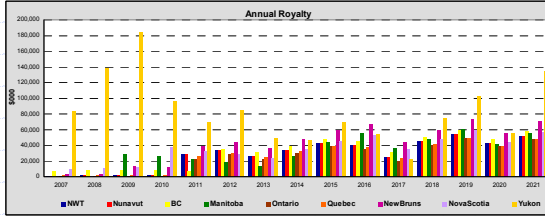


Diamond Mine



- ◆ The discounted cash flow results show the same patterns as the nominal dollar results in the previous slide
- ◆ All of the 10% IRR mine model results are in negative territory for the discounted cash flow analysis – reflecting the 10% before tax IRR is reduced to less than 10% after royalty and taxes
- ◆ Most Canadian jurisdictions, including the NWT and NT (with CMR royalty) are in a mid-rank as compared with the international results, lower than in Mexico and Sweden

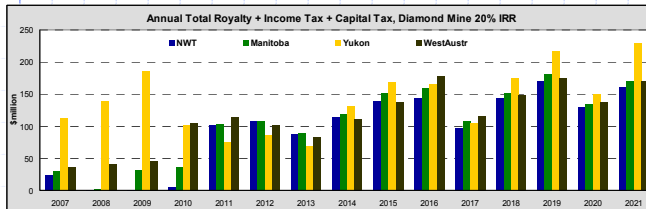
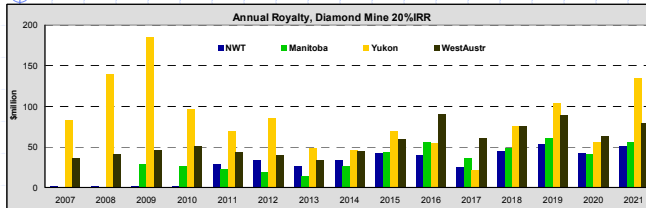
Annual Royalty, and Royalty + Tax Diamond Mine, Canada Comparisons



- ◆ The impact of front-end loading of deductions in the Canadian royalty and tax systems is demonstrated by little or no royalty or tax in early production years, excepting Yukon
- ◆ This is followed by a generally consistent pattern of annual royalty and tax
- ◆ The early, high Yukon royalty results reflect the importance of the deductibility of income tax in the Yukon royalty, as in early production years there is no income tax to offset the net income for royalty



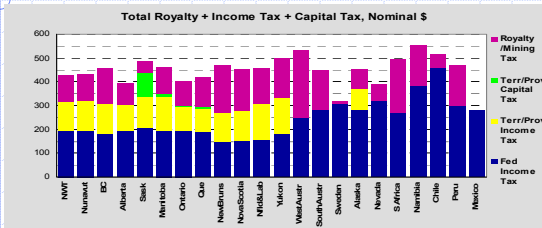
Annual Royalty, and Royalty + Tax Diamond Mine, Selected Comparisons



- ◆ The onset of royalty under the CMR in the NWT is delayed later than in the representative jurisdictions shown, showing the benefit of 100% deductibility of up front capital under the CMR
- ◆ Western Australia is included here to demonstrate the impact of net revenue royalty – which starts with the onset of production as it has no front loaded deductions
- ◆ Royalty flow begins in Manitoba after its royalty holiday, but before the onset in NWT (in Manitoba, depreciation is limited to 20%)

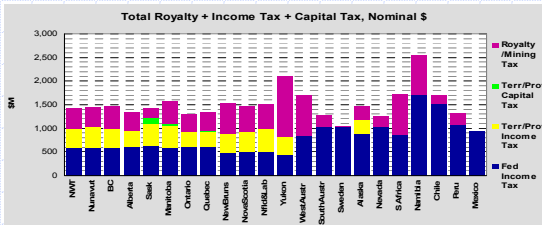


Distribution of Tax + Royalty, \$ Nominal (of-the-year) Canadian + International Comparisons



- ◆ In Canada, royalty generally represents about 25% to 35% of the total of royalty + taxes
- ◆ Internationally, the proportion that royalty occupies in total royalty + tax is much more variable
- ◆ It is noteworthy that mines in provinces with higher rates of royalty also pay lower rates on income tax, because of the royalty is generally a deductible cost in determining income tax

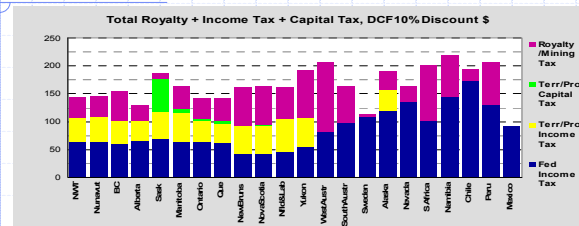
Base Metal Mine, 20%IRR



Diamond Mine, 20%IRR

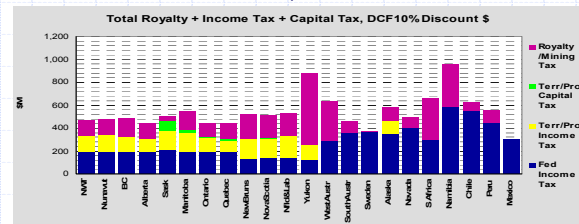


Distribution of Tax + Royalty, Present Values (Discount rate 10%) Canadian + International Comparisons



- ◆ The discounted cash flow results are generally consistent with the nominal dollar results in the previous slide
- ◆ Jurisdictions with higher early royalty, such as Yukon and the net revenue states (NB, NS, Australia, S Africa, Namibia, Chile and Peru show royalty in greater proportion of the total

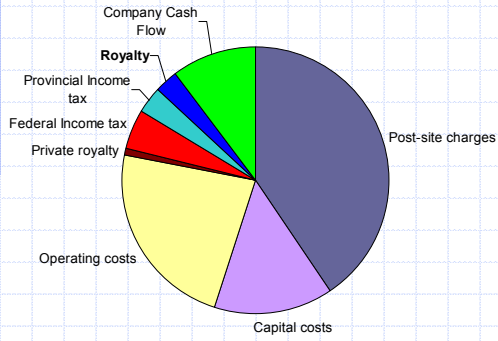
Base Metal Mine, 20%IRR



Diamond Mine, 20%IRR



Distribution of Total Life-of-mine Cash Flow



Base Metal Mine Example

(in \$ thousands)

Total metal value	1,051,486
Post-site charges	425,515
Capital costs	153,000
Operating costs	242,900
Private royalty	8,963
Federal Income tax	49,777
Provincial Income tax	35,459
Royalty	28,733
Cash Flow to Company	107,169



5) Summary of analysis

- ◆ Key observations
 - Competitiveness of the CMR
 - Working with the CMR



Canada Mining Regulation Royalty Issues and Observations

- ◆ Competitiveness of the CMR
 - Generally competitive within Canada and internationally
 - Neither the lowest nor the highest royalty, but generally mid-range
 - Recent changes to the CMR have addressed key issues relating to overlap with aboriginal mineral rights and interests, and location of mine assets and supporting facilities
- ◆ Issues and Observations
 - 1) The federal government has made agreement with aboriginal groups integral to permitting mines in the North – the costs of such required agreement should be deductible, including both
 - ◆ the actual costs of IBAs
 - ◆ costs of negotiating agreements
 - 2) Non-deductibility of certain up front costs essential for mine permitting
 - 3) The statutory royalty rate is high – has detrimental impact on mature mines
this is at least partially a result of the balancing the cost to government of front loading of deductions
 - 4) Complexity of the royalty



Working within the CMR

- ◆ The CMR in its complexity provides options to optimise the use of some deductions to minimise royalty
 - especially, processing allowance
 - also, exploration/development and depreciation allowances
 - offsite exploration costs
 - in optimising, consider the impact of stepped rates
- ◆ Allocate off-site and management costs to ensure deductibility
- ◆ Establish and maintain a forum for regular dialogue with DIAND on royalty issues
 - involve key external stakeholders in the dialogue



DRAFT

For additional information, contact:

David Gladwin
Two Ducks resources Inc.
200 Daly Avenue, Ottawa, Ontario K1N 6G2
613-241-0388 dg@twoDucksresources.ca



Appendix 2 – Peer Review Comments by Dr. M. Doggett on the Interim Progress Report

Appendix 2 - Peer Review Comments by Dr. M. Doggett on the Interim Progress Report

Comments on

“Comparative Review of the Canada Mining Regulation Royalty as Relates to National and International Competitiveness” prepared by David Gladwin for the Mining Association of Canada Diamonds Committee and the Department of Indian Affairs and Northern Development.

Prepared by

Michael Doggett

7 February 2008

General Overview

This study is a useful addition to the body of work assessing the competitive position of global mining and exploration jurisdictions. The findings should be made available to the public to be used as a reference in other studies of this type. The methodology is sound and modeling of Canadian and international tax regimes is impressive in detail and accuracy. Some minor clarifications and additions are needed as indicated in the comments below.

Objective

As the title of the study suggests, the objective of the study is to assess the competitiveness of the CMR royalty. In and of itself, the determination of relative royalty payment across jurisdictions as either a nominal rate or an effective rate is of limited usefulness. In the Canadian context, where federal corporate income taxes are common and where provincial corporate income taxes vary within a relatively small range, the direct comparison of the CMR with provincial royalty and mining tax payments makes sense from a *ceteris parabis* perspective. At the international level, however, the range of royalty types and levels and their interaction with other corporate and income taxes, makes any sort of direct comparison effectively meaningless. As a result, the real value of the study lies in the broader competitive analysis which incorporates royalties and applicable taxes to assess the overall effective rate of taxation across jurisdictions.

Methodology

The methodology used in this study is similar to that used by the author in previous work with both sponsoring agencies. The premise of the assessment is that the impact of royalties and other taxes on mineral project developments can be isolated across jurisdictions by standardizing the before-tax and royalty cash flows and economic criteria. In this way, the study is able to avoid locational externalities related to differential labour rates, transportation costs, and extent of existing infrastructure as well as differences in the underlying geological characteristics of mineral deposits. Royalty and tax payments are determined on a total and effective basis across two different commodity models and two different profitability scenarios.

This methodology is sound and perfectly appropriate in the context of the study objectives.

Models

For the purposes of this work, the discussion of models is broken into two components: the mine models and the royalty models.

Mine models

The mine models are notionally based on a mid-size base metal mine and a larger diamond mine. It is important to have this mix for several reasons. First, these are the commodities forming the basis for many exploration and mining projects in the CMR jurisdictions. Second, the processing streams associated with these two models represent opposite ends of the spectrum. For diamonds, processing is relatively simple with a mainly physical separation process to produce rough stones which are sold in the market. For base metals, processing is more complex with different circuits for producing concentrates which often contain other commodities that generate credits or produce penalties. This is important from a royalty perspective because base metal concentrates which leave the minesite must be further smelted and refined to produce the saleable metals contained in them. The transportation, smelting, refining and insurance costs associated with these downstream activities can consume a significant portion of the value of the metals in the concentrate. In the example used in this work, about 43% of the value of the metal is required to cover these additional costs. Revenue-based royalty payments are usually made on the basis of some form of this net smelter revenue sometimes called value at the mine mouth.

The capital cost estimates used in the models are realistic and based roughly on real world mines. This is essential given the important role that depreciation (and accelerated depreciation) play in the determination of effective rates of tax over time.

The two mine models are standardized in terms of profitability with a high profit scenario for each represented by a 20% internal rate of return and a low profit scenario for each represented by a 10% internal rate of return.

The low profitability cases present somewhat of a quandary. The author justifies the inclusion of these cases by stating that they represent “real world” scenarios in that the mining industry has historically returned less than a 10% return on investment. While this is undoubtedly true, it does not change the fact that no mining project would receive funding from either debt or equity sources if the anticipated return at feasibility was a 10% rate of return before tax. Most companies use a cost of capital in their discounted cash flow models of between 6 and 10%. Thus, they are often looking for a rate of return in the 12 to 15% range on an *after-tax basis* before committing to mine development. More importantly, the comparison of the after-tax economics of these cases in various jurisdictions has little relevance from a competitive position perspective. In all cases, the tax systems imposed render the projects uneconomic. Showing that a project is “less uneconomic” in one jurisdiction than another is not particularly useful. However, the notion of having one of the cases that is more marginal is important as it can highlight which of the royalty and tax regimes are more regressive. In other words, does the structure and type of royalty regime actually cause the mine to become uneconomic in some jurisdictions. It is not possible to capture this information in the current model where the mine is rendered uneconomic in every jurisdiction. It is recommended that an intermediate profitability model be considered with a 15% before tax rate of return.

Royalty models

The author of the study has done a thorough job of modeling the wide range of royalty and taxation regimes in the jurisdictions selected. He has captured the nuances of these systems and highlighted any recent and proposed changes (of which there are many). The royalty and tax criteria generated from these models should, therefore, be an accurate depiction of the impact of the actual tax systems in use at the time of the study.

Findings and Presentation of Results

The findings of the study are presented in clear and logical manner focusing on the relative impact of the first the royalty portion of mineral taxes and then the overall tax impact across the various jurisdictions. Regardless of the economic criteria (cash flow, rate of return, discounted cash flow) used to measure the impact of royalties and overall taxation, the CMR royalty falls in the middle range of all jurisdictions on the basis of comparative pre and post-tax profits for the company developing the mines.

Effective rates of taxation provide a useful tool in capturing the overall impact of royalty and tax systems. However, the comparison of statutory rates and effective rates as provided in the study is not a particularly useful measure. While it is important to recognize that the nuances of the royalty and tax regime in any jurisdiction results in differences between the nominal or statutory rates and the effective rates, there is often no statistically valid method to make this comparison. Adding statutory tax and royalty rates together to come up with a total statutory rate when they are calculated on different bases is not particularly useful. Comparing the effective rate of tax for each component of the overall tax system with a corresponding statutory rate is a more valid approach.

There is also some question as to the validity of using internal rate of return as an effective tax measure. As used in the study, the effective impact on IRR measures the percent of the before tax IRR that is lost due to the tax systems in the various jurisdictions. As the before-tax cash flow distribution is the same for each jurisdiction, this loss of profitability does reflect the relative tax “bite” across the jurisdictions. However, the specific number calculated for each jurisdiction has no clear meaning in that a simple percentage is being determined on the basis of two different compound annual percentages (IRR). It follows, therefore, that a comparison of statutory rates vs effective rates should not be made on the basis of IRR. Cash flow comparisons or discounted cash flow comparisons (where the same discount rates is used to determine before and after tax discounted cash flows) are more useful for determining effective rates of tax.

Conclusions based on the empirical work are valid. The CMR is in the middle of the pack. Although, it was ostensibly designed to fall into the middle of the pack, it is important to show this in an up-to-date detailed study. as tax systems around the world are in constant transition. Some of the more qualitative comments at the end of the presentation material are really the justification for the study as they are some perceptions of the CMR in advance of the work.

Appendix 3 – Discussion Notes from Review of the Interim Progress Report

February 12, 2008

Appendix 3 – Discussion Notes from Review of the Interim Progress Report

The following is a summary of discussion of and responses to comments and questions raised at and following the presentation of the final progress report on this study to the Mining Association of Canada Diamonds Committee, and Department of Indian Affairs and Northern Development, January 29th, 2008.

From the meeting

Comments & questions by Michael Doggett

1. 10% IRR base models: Michael Doggett questioned the usefulness of the 10% IRR base profitability models that all show a loss in the NPV results – noting that mining companies would not develop a mine showing such low profitability.

Response: The 10% IRR mine models represent a somewhat better IRR than the average Canadian mine has achieved over the past half century, despite industry expectations of much more. It was included to show a downside limit on revenues and taxes at lower levels of profitability.

Since the analysis uses a 10% discount rate, these models, starting from a 10% IRR before royalty and taxes, cannot have a positive discounted NPV if any royalties or taxes are applied. That point often escapes the attention of regulators, and is worth making. It also should not be overlooked that such mines do show a profit in the (undiscounted) nominal dollars analysis, and royalty and taxes generally do apply.

2. Additional mine models: Michael suggested we add in a couple of additional mine model sets at 15% and 25% IRR. The basis for the 15% IRR models would be to reflect a target hurdle rate commonly used by the exploration and mine development industry. The 25% IRR models would show impacts at higher profits.

Response: It may be interesting to add further runs at different profitabilities, but I believe presenting too many additional results would unnecessarily clutter the results graphs. The effective tax results and royalty + taxes divided by pre-tax profits results already developed show a modest trend to slightly higher effective tax burdens for lower profit mines. Higher profit runs would repeat this result.

I recognize, however, the ‘importance’ of 15% as a target hurdle rate for new mine development decisions, and propose to add an additional set of runs at that profitability. This would provide results for low-profit mines (10%), moderate profit at typical hurdle rate mines (15%), and higher profit mines (20%).

Adding further profit scenarios to the analysis would, I believe, add detail without value.

Proposed Action: Add an additional set of runs at 15% IRR. This would provide results for low-profit mines (10%), moderate profit at typical hurdle rate mines (15%), and higher profit mines (20%) (see also actions under item 3).

3. IRR targets after taxes and royalty: Michael suggested we consider setting the mine model profitabilities as IRR after taxes and royalty.

Response: A challenge with setting the models to after royalty and tax targets is that the different rates of tax and royalty in the different jurisdictions requires adjusting the revenues in each jurisdiction to achieve a the target profitability after royalty and tax everywhere. While that can be done, the comparison amongst jurisdictions then would be not based on equivalent cash flow models. The effective royalty and tax burden comparisons would be based on slightly (or more) different revenue/cost streams for each jurisdiction.

In attempting to address the direction of Michael's suggestion, I propose to reset the mine model profitabilities by adjusting the revenues to the target (10%, 15% and 25%) IRR's after tax in the NWT modules (to become the base case – where the CMR is applied), then applying those respective revenue/cost cash flows to the other jurisdictions. This will result in after royalty and taxes IRR in the other jurisdictions being somewhat above or below those in the NWT, but all would be based on the same incoming cash flows so that differences in net cash flow would be the result of the royalties and taxes being compared. Then using it will be clear that any regime with a NPV of net cash flow to the company of greater than in the NWT would have lower royalty + taxes, and the opposite if the NPV was lower.

In the case of the 10% mines, the net cash flow at the 10% discount rate for the NWT model would be 0. Jurisdictions with a negative net cash flow (less than 0) would have less favourable regimes than NWT, and those with positive net cash flow would have more favourable regimes.

Proposed Action: Reset the mine model profitabilities by adjusting the revenues to the target (10%, 15% and 25%) IRR's after tax in the NWT modules (to become the base case – where the CMR is applied), then applying those respective revenue/cost cash flows to the other jurisdictions.

Questions by John Hughes

4. Annual revenue variation: John Hughes asked whether the annual revenue variation programmed in addressed the possible burden of reduced revenues in the early operating years, following start-up, when many mines struggle with high debt loads, etc. In fact, I had set the revenue fluctuations to initially higher values followed by lower. John has made a good point, lower revenues in early years could be more problematic that in later years. I can easily switch the revenue variations around to dip first then raise.

Response: John has made a good point, lower revenues in early years could be more problematic that in later years. In fact, I had set the revenue fluctuations to just the opposite trend – initially higher values followed by lower. I can switch the revenue variations around to dip first then raise.

Proposed Action: Reset the annual mine revenue variations so that the initial operating years are at less than normal profitability, followed by higher profit years, (with the cycle repeated twice over the mine life).

Note by Dave Gladwin: Proposed change to the Yukon QMA Royalty

5. Yukon QMA review: Clearly the Yukon QMA results stand out in Canada as being out of step with the rest of the country. This is a clear result of the open ended royalty rate escalation ladder. The Yukon government has recently announced a review of the QMA royalty, and have scheduled release of proposals to modify it by early March. The Yukon is attracting lots of exploration interest right now, and releasing the report results as they stand now could be a damper on potential new investments there. If the Yukon doesn't get its proposals out early in March, we could go with the report as is, or alternately leave the Yukon results out of the report.

Proposed Action: Noting that we expect that this report may be given wide distribution and could stay 'in public' for quite a while, I suggest that we:

- i. issue an internal MAC/DIAND report with the analysis as is for use of MAC members only, as soon as it can be prepared; then*
- ii. plan to finalize a public version of the report in March, allowing for update of the Yukon numbers as soon as the government releases its proposals, noting in the report that these are proposed changes.*

Following the meeting

Questions by Jocelin Paradis

Following the Vancouver meeting, Jocelin Paradis sent a series of comments and questions in by email and phone. These are addressed in the following, together responses both by Michael Doggett and myself.

6. US jurisdictions: The number of US jurisdiction involved is much lower than what I expected and Utah and that I specifically asked to be included is not included.

Response (Gladwin): The two US states included, Alaska and Nevada, were as per study parameters agreed in Summer 2007. They represent a range of overall US total royalty + tax positions.

Looking at the mining industry in the three states (ref: USGS Minerals Yearbook 2005), as below, Alaska and Nevada appear to be better comparators to the NWT than Utah:

- Alaska is the state in closest proximity to the NWT/NT where CMR applies, it has similar isolation aspects, mining occurs largely on government (federal or state) lands, and production in 2005 was predominantly base metals, valued at \$1.5 billion in 2005.
- Nevada mining includes significant gold production, valued at \$3.0 billion in 2005 (within a state total from mining of \$3.8 billion), and a royalty, but no state income tax.

- Utah's mining has been a mix of base metals and industrial minerals, with about \$1.4 billion of copper in 2005 (within a state total from mining of \$2.8 billion), it has a state mineral severance tax at 2.6% on taxable net proceeds from mining.

7. Deductions allowed: The report does not seem to take into account expenditures that are not deductible under the provincial / state royalties (aboriginal / donations / management) is quite different and does increase the actual royalty cost. If it does, it does not say so.

Response (Doggett): I believe that David made this clear in his presentation but it could be made clearer in the written version.

Response (Gladwin): Robert Lauer noted at the meeting that the CMR treatment of most mine expenses and deductions is very similar to that in the net profits parts of royalty in other Canadian jurisdictions. Generally, all costs that can be directly attributed to operations including offsite management costs and costs to bring a mine into production, including negotiation of aboriginal agreements, are deductible.

The only jurisdiction or royalty in Canada that allows deductibility of direct cash payments to aboriginals is Ontario's new diamond royalty (2007). It also allows deduction of certain social investment and charitable donations – these are generally of such limited extent that they would not show up in the significant digits of this type of comparative economics assessment.

Recent changes to the CMR are unique in allowing deduction of depreciation for capital costs for facilities outside of Canada used for the preparation of product for sale.

The report will include some discussion of variations in deductibility of certain expenses. Deductibility of specific costs as noted in the original comment above is generally not a consideration in comparing to international jurisdictions that base royalty on revenues, and where much more significant basic operating and capital costs are not deductible.

8. US depletion allowance: On the same vein, countries like the US provide for theoretical deductions (such as depletion allowance) that can reduce the federal tax rate to 20% and the state tax rates to 0%. Although I am sure the computations are taking these deductions into account, they are not mentioned. This makes Canada look very generous especially on page 44.

Response (Doggett): I believe David used the US AMT rate but will have to confirm with him. My own comments on the table on page 44 suggest that I don't much like this type of comparison.

Response (Gladwin): The calculations for the US taxes include depletion and AMT.

9. Total statutory tax rates: About the information in the tables of page 44

- a) Since State taxes and royalties are deductible for income tax, adding them up is a bit misleading. In Alaska, the combine rate should be 46.67% ($10\% * (1 - 9.4\% - 35\%) + 9.4\% * (1 - 35\%) + 35\%$) not 54%. NWT rate should be 39.56%, for a net difference of 7% not 10.5%
- b) Revenue linked royalties and profits linked royalties are compared while they are totally different type of taxes.

Response (Doggett): I am in 100% agreement. My comments on this table are along the same vein. It really is just confusing. Furthermore as my comments express I don't think it is legitimate to use the IRR as an effective rate in this manner.

Response (Gladwin): I agree as regards the lack of usefulness of the 'total' tax statutory rates – there is no clean way to combine profit and revenue based taxes into a common sum. In addition, in the USA, the AMT further confuses the consolidation into a single total. These were included in the presentation only because they were specifically requested to be included at the MAC tax committee meeting last Spring. The report will have a more comprehensive table separately showing tax rates and royalty rates, allowing for identification of those rates that are based on dissimilar bases, such as revenue, not profit.

The analysis showed that by all measures, the effective total royalty + tax burden in the NWT (CMR) is middle of the road, so it is of little import which measure is used for the 'effective total royalty + tax rate' comparisons. I believe that the IRR base has validity, however, I recognize Michael's comments and propose that in the final report the comparison be made on the basis of discounted royalty + taxes as compared to discounted pre-royalty and tax cash flow.

Proposed Action: In the report:

- *separately identify statutory tax rates and royalty rates, allowing for identification of those rates that are based on dissimilar bases; and*
- *base the effective royalty + taxes rate comparison on the basis of discounted royalty + taxes as compared to discounted pre-royalty and tax cash flow.*

10. Greenland omitted: Page 5, Denmark-Greenland was excluded because they have abolished mining tax. That raise the question was the sample skewed in a way that makes Canada looks better? Does Nova Scotia have such a significant mining industry? Why not replacing Denmark by Norway (where our competitors mine) or France (where we mine) where mines exists?

Response (Doggett): My preference would be to show Denmark in any case. There is mining in Greenland. We show Mexico with no royalty so why not Denmark. As I state in my comments, the most important numbers in any case are the overall effective rate of tax.

Response (Gladwin): Nova Scotia is included as it was requested to show ALL Canadian jurisdictions for the type mines.

It was a decision by the project sponsors, at my suggestion, in mid-project to replace Denmark-Greenland with Peru. Denmark-Greenland mining, as with most of the remainder of Europe, is barely noticeable on a world scale, especially as relates to mineral potential and industry interest for new mines.

11. Relevance of 10IRR models: The page 37 schedule seems to show that there is not a single country in which a 10IRR mine would have a positive npv. If it is the case, the 10IRR data is irrelevant and removed from the report, if not, computation should be reviewed.

Response (Doggett): My sentiments exactly.

Response (Gladwin): See responses and proposed actions to similar questions raised by M Doggett, 1 and 3 above.

12. Ranking of Canadian regimes: Page 35 and 41. In relation to mining royalties, there are 2 ways to see things, the first one is as expressed.

The second one is that the world countries can be divided in 2 groups:

a) North America / Europe (which also include Denmark, France and the UK) where countries are more developed and do not rely on mining tax to generate a large percentage of their income. In this group, Canadian provinces and territories have the highest royalties.

b) Developing countries and Australia where mining royalties are in average higher than in the first group. My understanding is that it is due to the limited capacity of developing countries to raise money from other sources and the legal incapacity of Australian state to raise other autonomous income they rely on mining royalties more heavily than developed countries.

So Canada seems to be in between those 2 groups.

Response (Doggett): Any way you slice it, Canada's mining tax regimes are in the middle of the pack. While not super important the mining industry in Canada is certainly a bigger factor in the economy than in the US or Europe. So, there is ultimately some logic here that we would be expected to fall somewhere in the middle if there is a correlation being made between importance to the economy and rate of taxation on the mining sector.

Response (Gladwin): One can break out the statistics many ways, but I note that the demarcation between developed countries and developing countries presented above is not clean. Australia would not be a developing country by most measures, rather it could be considered a 'high royalty + tax developed country'. In comparison, by most measures, Mexico would be seen as a 'low tax developing country'. Canadian provinces and territories

would fall in the mid to high range of developed country tax regimes, and below the main range for developing country regimes.

One could try to rank the countries and states by the proportional contribution of mining to GDP, determining if there was a correlation of relative importance of mining to level of royalty + tax. I suspect that such a comparison would still show us that Canadian regimes, including the CMR as applied in the NWT and NT are middle of the road as relates to overall effective mining royalty + tax rates, as is the importance of mining to the national economy.

13. Differences in cost of production not addressed: I have not seen it (although it may be) in the report but it should be noted that the model does not take into account the cost of producing in the countries analysed and that costs of production can be higher in remote areas of Developed countries than in Developing countries, impacting on the NPV of the mine.

Response (Doggett): (my understanding is that the costs were normalized so as to focus the economic differences solely on the impact of royalty and tax regimes. The issue of variable costs due to location is another important issue but it should not be arbitrarily superimposed on this model. If you want to start with models that have the same pre-tax cash flow and economic value to the company, then you would have to bump up the revenue and increase the costs in the higher cost regions. This would necessarily increase the level of revenue based royalties and (assuming deductibility of royalties for profit based taxes) lower somewhat the profit based taxes. This becomes complicated if you also assume that capital costs would be higher in remote areas. In that case, you would have to ramp up revenues even more to start with the same cash flow totals but now you would have the extra depreciation to deal with. In some cases, Ontario for example the mining tax rate is half for mines that qualify as “remote” so there is perhaps a recognition that costs would be higher although the real reason for the dual rate is more likely related to policy issues of attracting economic investment and development in the Northern part of Ontario.)

Response (Gladwin): I concur with Michael’s comments. The basis of the modeling will be noted in the report.

14. Present Value consistency : The base metal / present value / 20IRR for NB, NFL, Nevada, Alaska and Chile do not seem consistent with the other countries and provinces (addition errors?)

Response (Gladwin): The present values are calculated correctly. Part of the reason that some seem out of line with others may be due to timing differences for effective application of royalty and taxes. In the cases of NB and Chile, the revenue-based royalties apply significantly earlier than profit-based royalties for example in NWT or Ontario, and especially those such as Saskatchewan and Manitoba with royalty holidays. Taxes in Alaska and Nevada show impact of the AMT.

15. Saskatchewan and Manitoba royalty holidays: The Saskatchewan royalty holiday is listed on page 19 as being until a mine has recovered 150% of initial exploration and development costs. Is that not the basis for the Manitoba royalty holiday?

Response (Gladwin): Saskatchewan base metal and gold (other minerals) royalty provides a 10-year royalty holiday, and it allows a 50% gross-up of pre-production exploration, mine development and construction costs. The grossed-up pre-production costs and depreciation must be claimed as available, to reduce profits after operating costs are deducted during the 10-year royalty holiday period. That is, the royalty holiday lasts the longer of 10 years or until 150% of pre-production exploration and development costs, plus depreciation are exhausted.

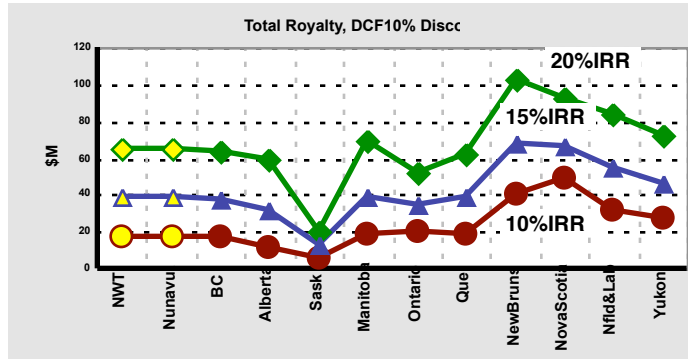
The Manitoba royalty holiday is based on recovery of initial development costs before royalty applies, without any gross-up of cost deductions. Depreciation is claimed at 20% throughout the Manitoba royalty holiday period.

David Gladwin
Two Ducks Resources Inc.

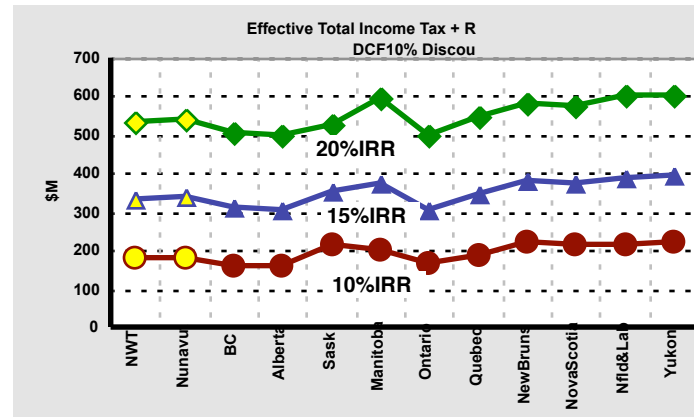
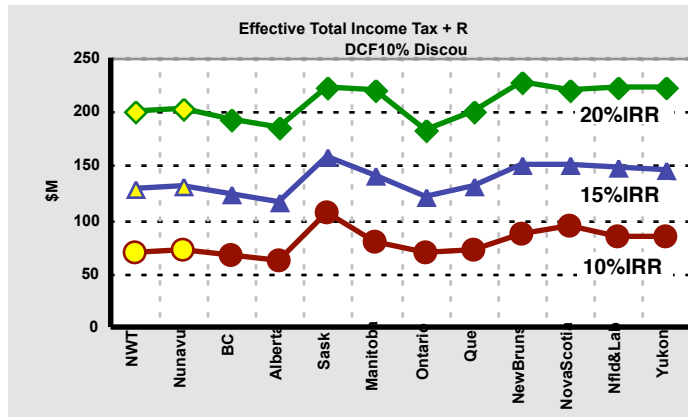
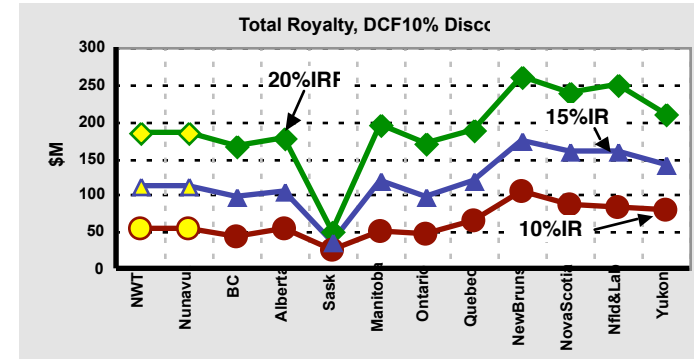
Appendix 4 – Analysis Summary Results

MineTax

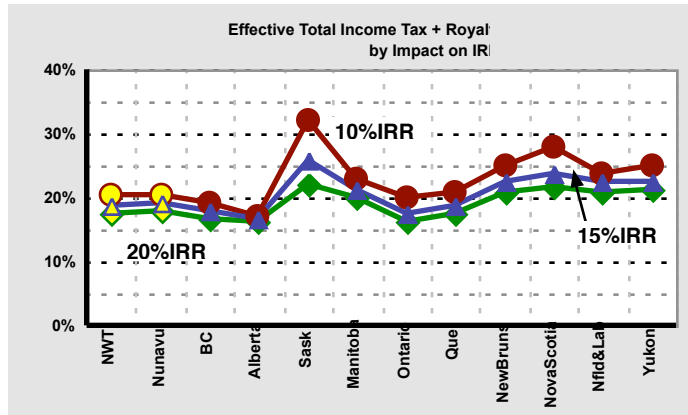
Base Metal Mine



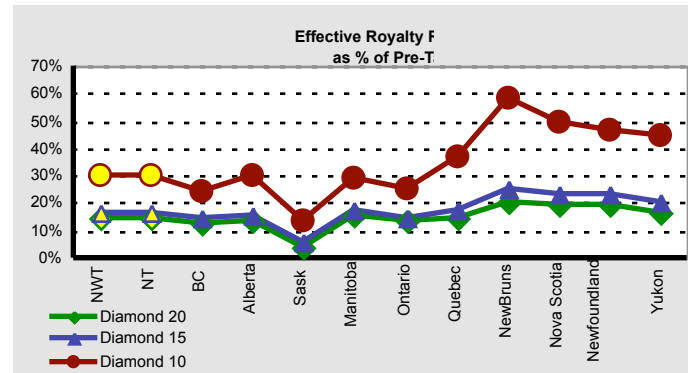
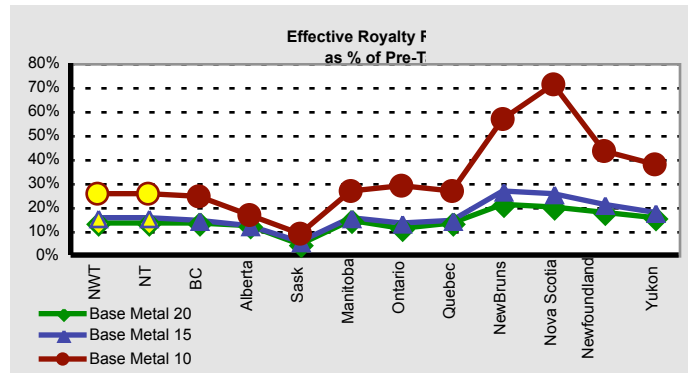
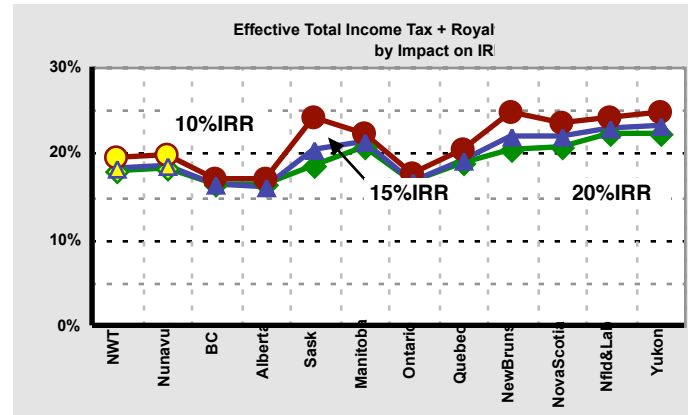
Diamond Mine



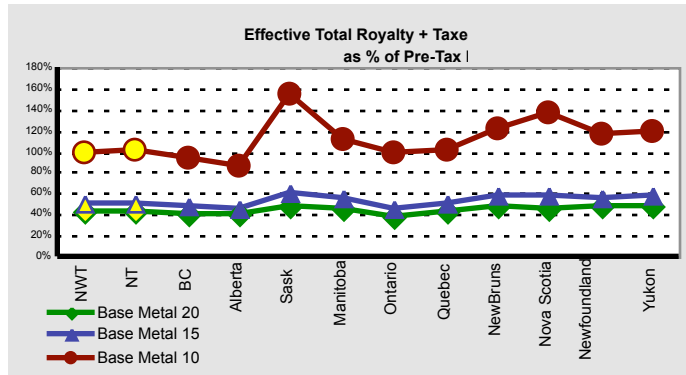
MineTax
Base Metal Mine



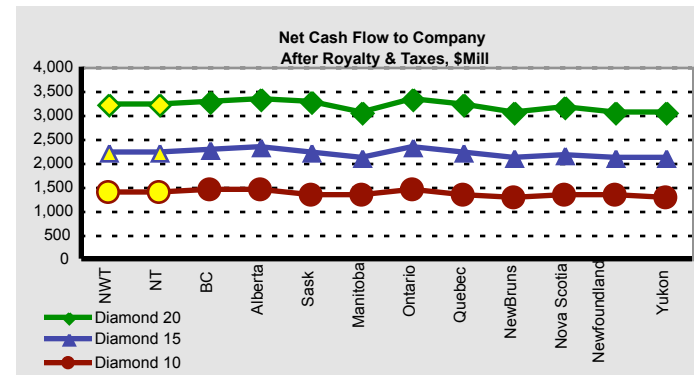
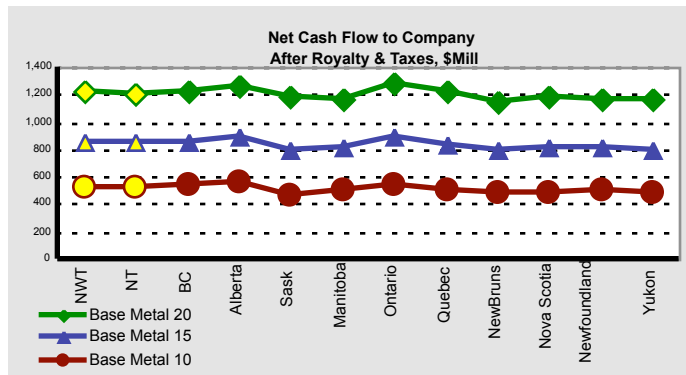
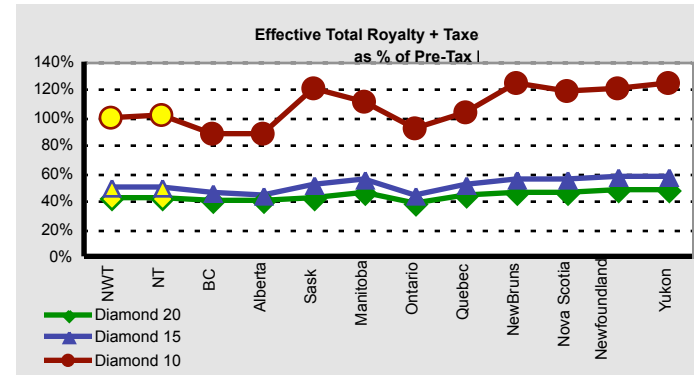
Diamond Mine



MineTax
Base Metal Mine

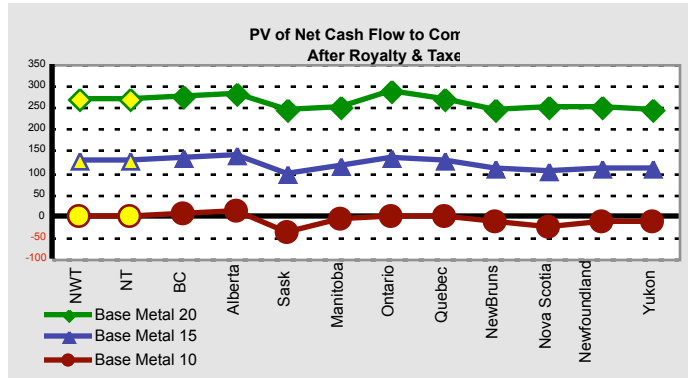


Diamond Mine

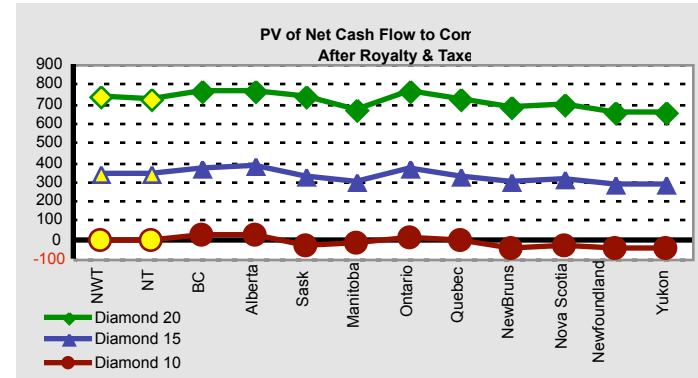


MineTax

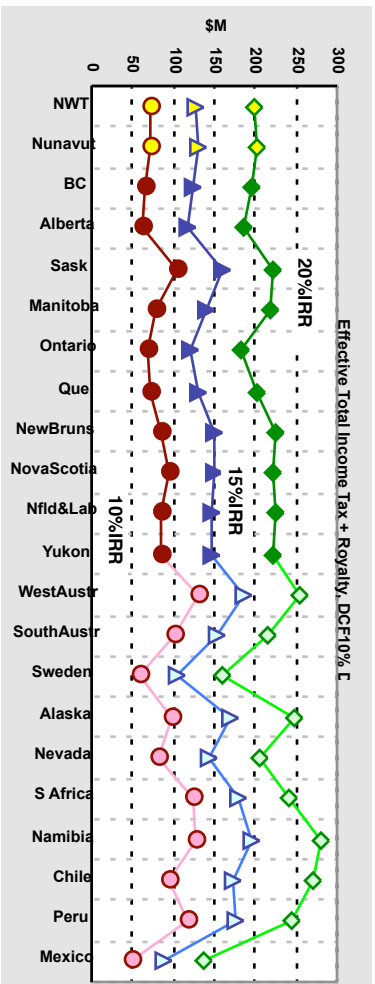
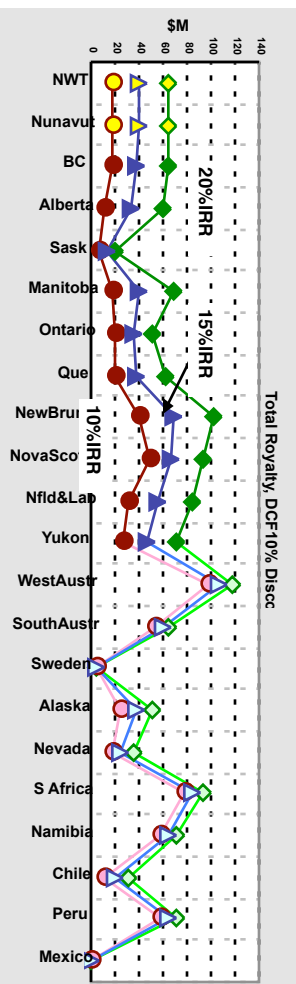
Base Metal Mine



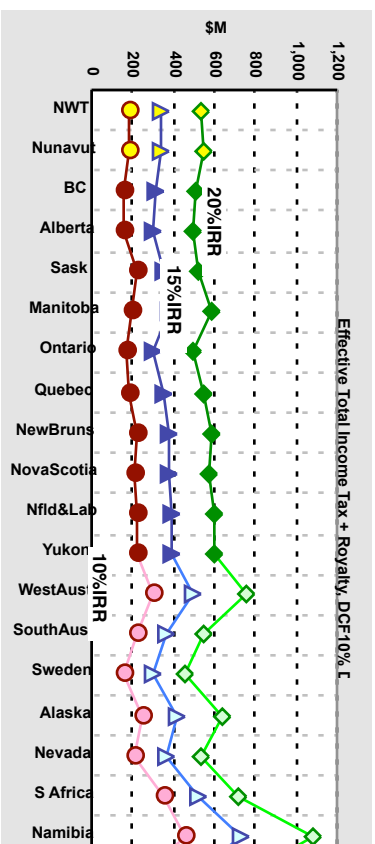
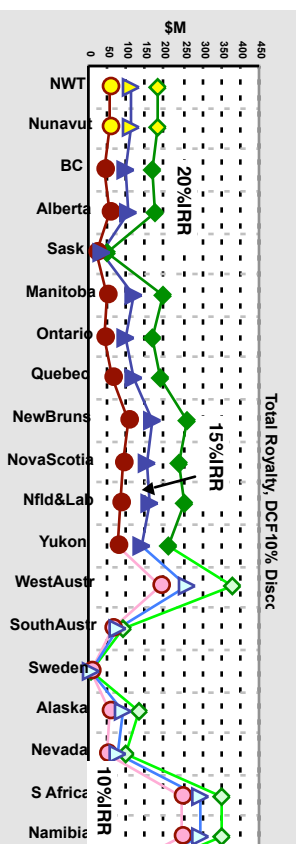
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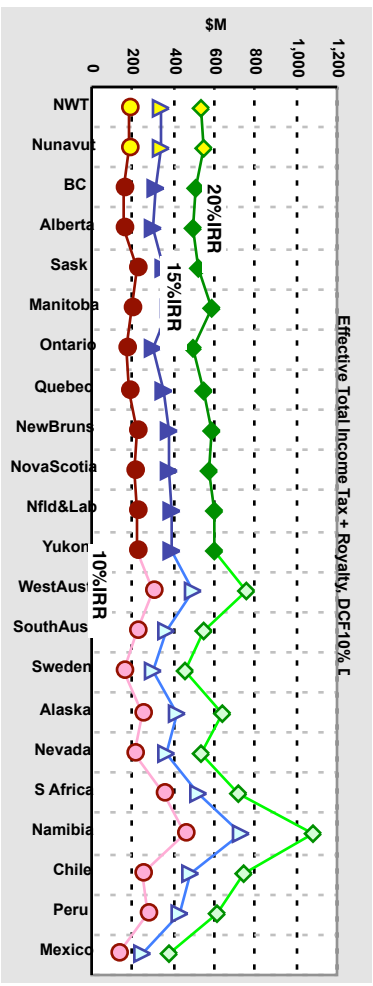
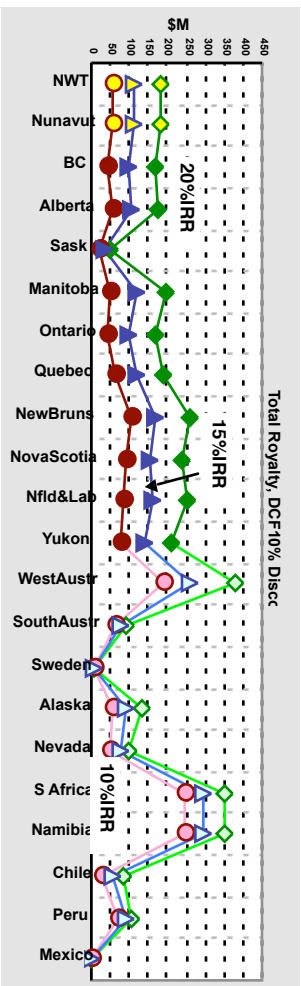


MineTax
Base Metal Mine



Diamond Mine



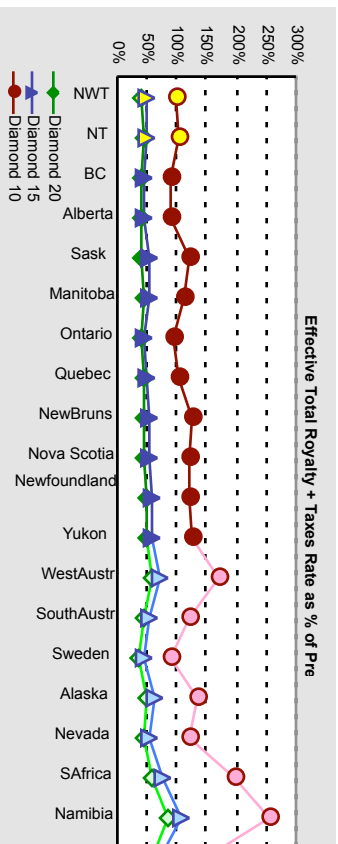
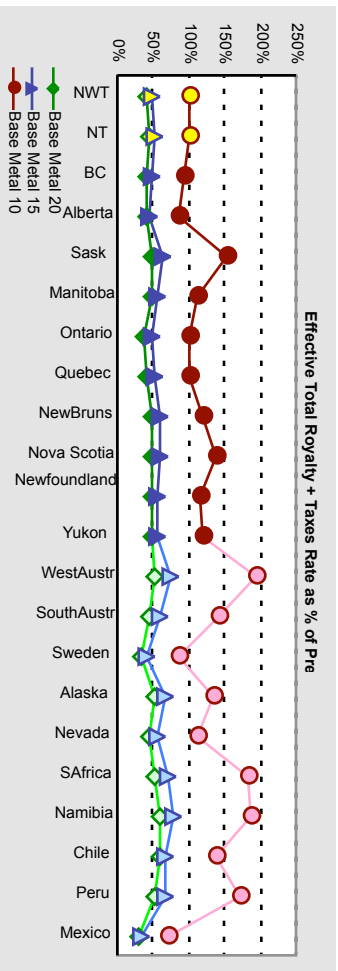
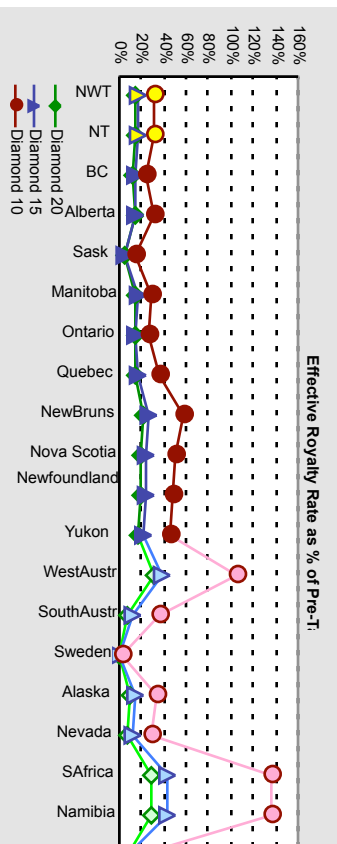
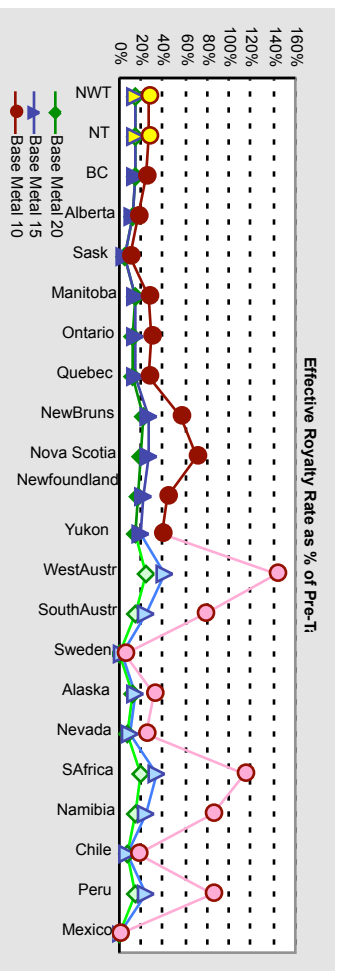


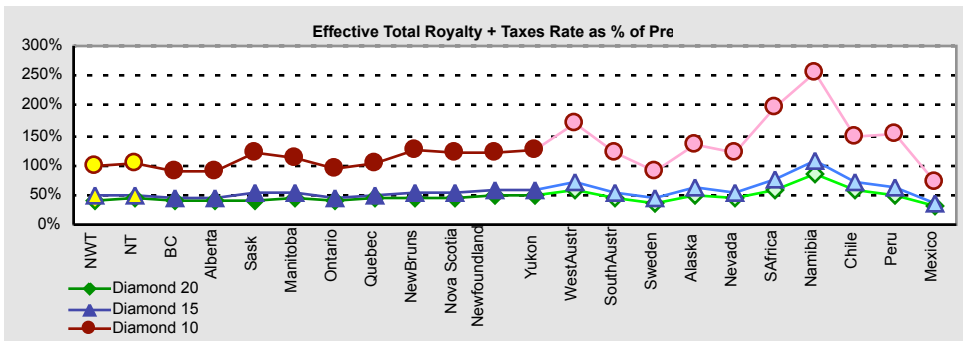
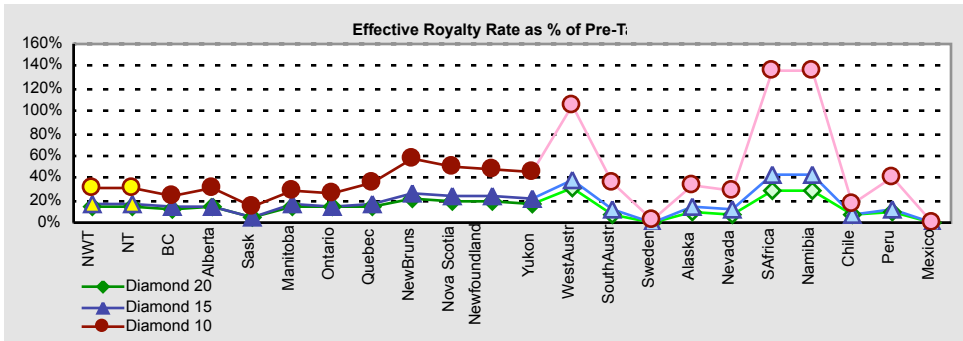
Appendix 4 - Summary.xls

June 12, 2008

MineTax
Base Metal Mine

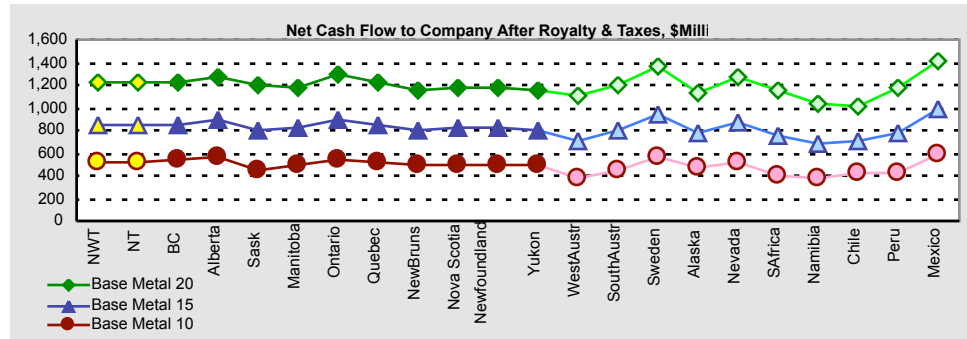
Diamond Mine



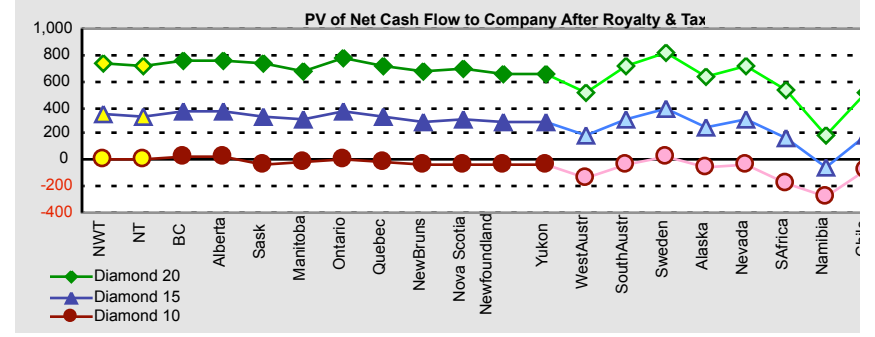
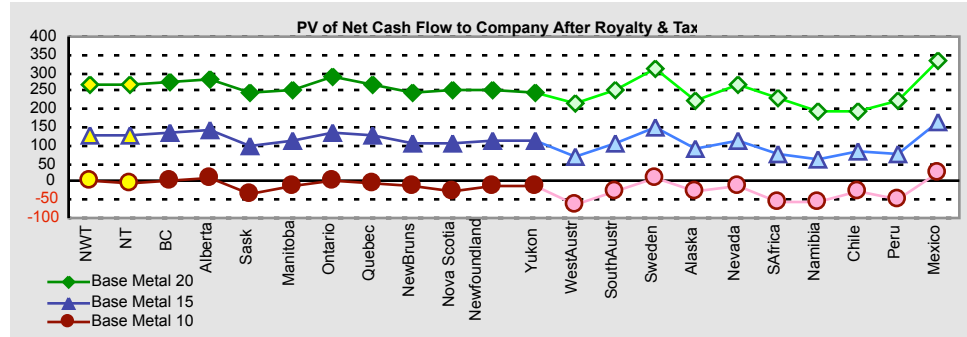
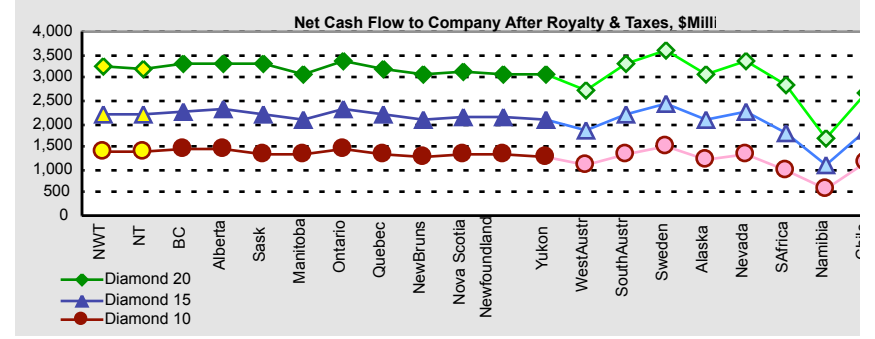


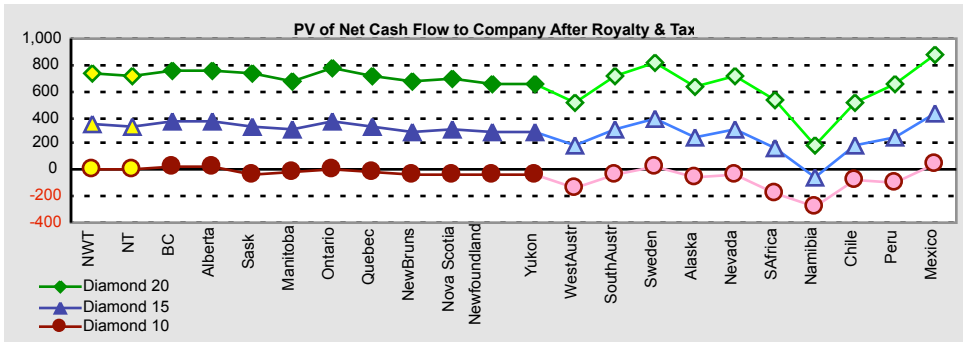
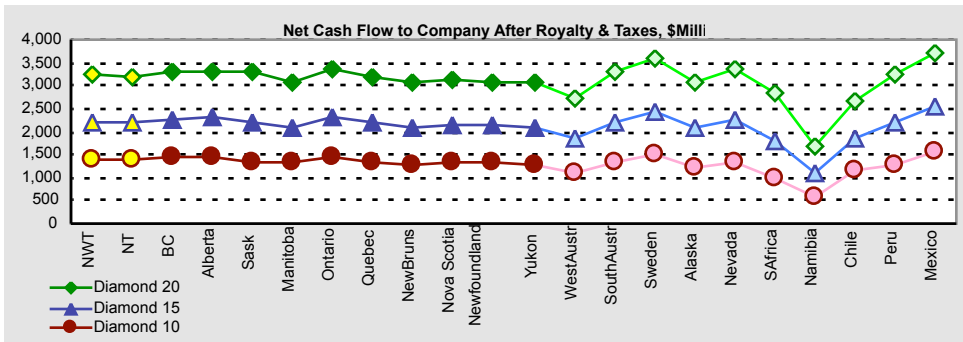
MineTax

Base Metal Mine



Diamond Mine

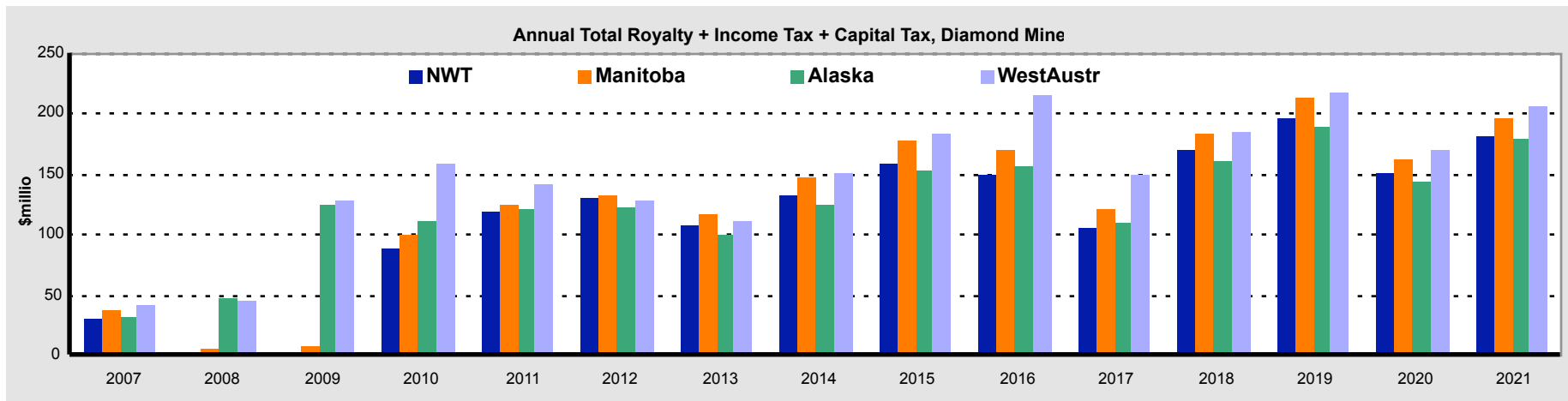
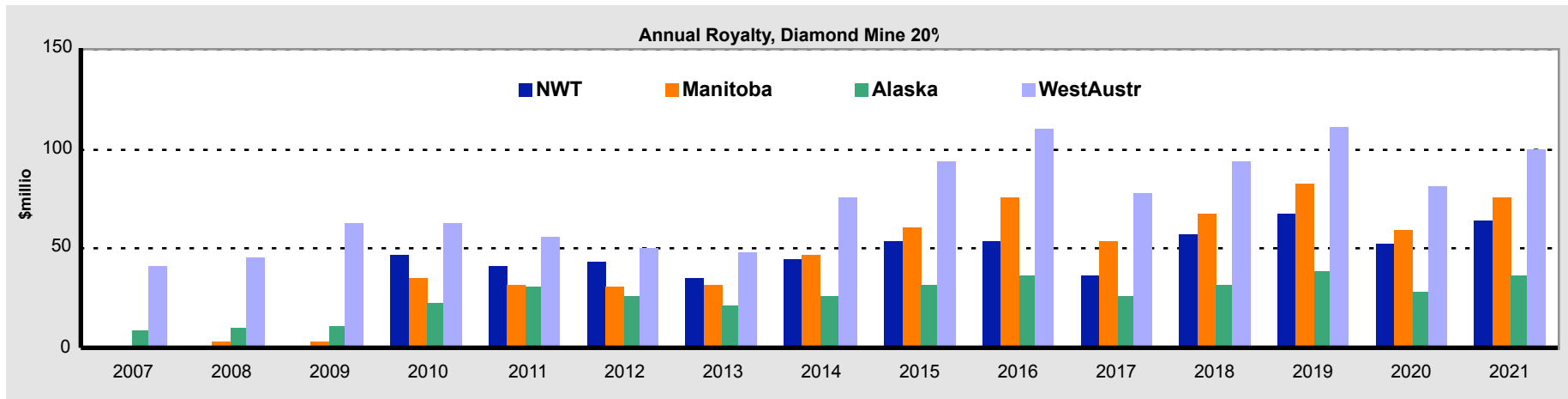




MineTax

Larger Scale Diamond Mine, 20%IRR (NWT), After Tax

Additional Graphs: Comparative Results and Annual Results -- International Comparisons



Discounted Cash Flow
Total Life-of-mine Royalty \$million, \$ of-the-day

Canada	BaseMetal 20IRR	BaseMetal 10IRR	Diamond 20IRR	Diamond 10IRR
Northwest Terr	218	69	601	216
Nunavut	218	69	601	216
British Columbia	220	65	567	150
Alberta	198	42	558	198
Saskatchewan	93	27	231	115
Manitoba	236	69	659	206
Ontario	169	73	549	182
Quebec	211	78	585	235
New Brunswick	336	142	840	365
Nova Scotia	282	142	735	290
Newfoundland	271	107	732	271
Yukon	219	91	590	241

Country/ State	BaseMetal 20IRR	BaseMetal 10IRR	Diamond 20IRR	Diamond 10IRR
West.Australia	322	267	1,114	506
SouthAustralia	198	164	281	195
Alaska, USA	159	72	391	167
Nevada, USA	105	53	285	148
Sweden	13	11	19	13
S Africa	257	213	946	655
Namibia	193	160	946	655
Chile	94	39	247	101
Peru	193	160	284	196
Mexico	0	0	0	0

Total Life-of-mine Royalty+Tax \$million, \$ of-the-day

Canada	BaseMetal 20IRR	BaseMetal 10IRR	Diamond 20IRR	Diamond 10IRR
Northwest Terr	661	259	1,726	662
Nunavut	669	263	1,749	672
British Columbia	653	251	1,672	597
Alberta	619	227	1,618	611
Saskatchewan	689	324	1,646	714
Manitoba	719	280	1,902	719
Ontario	593	245	1,593	587
Quebec	669	272	1,753	695
New Brunswick	738	296	1,879	740
Nova Scotia	699	294	1,808	689
Newfoundland	722	284	1,883	706
Yukon	720	300	1,873	748

Country/ State	BaseMetal 20IRR	BaseMetal 10IRR	Diamond 20IRR	Diamond 10IRR
West.Australia	779	409	2,240	941
SouthAustralia	692	338	1,657	722
Alaska, USA	747	318	1,878	791
Nevada, USA	621	270	1,588	690
Sweden	526	217	1,377	557
S Africa	733	382	2,118	1,066
Namibia	859	407	3,268	1,460
Chile	864	348	2,261	892
Peru	707	353	1,697	762
Mexico	465	188	1,227	493

Present Value of Total Life-of-mine Royalty \$million

Canada	BaseMetal 20IRR	BaseMetal 10IRR	Diamond 20IRR	Diamond 10IRR
Northwest Terr	65	18	186	55
Nunavut	65	18	186	55
British Columbia	63	17	166	43
Alberta	60	12	176	54
Saskatchewan	20	6	50	24
Manitoba	69	19	194	52
Ontario	52	21	169	46
Quebec	62	19	188	65
New Brunswick	102	40	260	104
Nova Scotia	92	49	240	88
Newfoundland	84	31	250	83
Yukon	72	27	211	80

Country/ State	BaseMetal 20IRR	BaseMetal 10IRR	Diamond 20IRR	Diamond 10IRR
West.Australia	117	97	381	187
SouthAustralia	65	54	94	65
Alaska, USA	52	24	130	58
Nevada, USA	35	17	100	52
Sweden	5	4	7	5
S Africa	94	78	353	244
Namibia	70	58	353	244
Chile	30	11	83	30
Peru	70	58	106	73
Mexico	0	0	0	0

Present Value of Total Life-of-mine Royalty+Tax \$million

Canada	BaseMetal 20IRR	BaseMetal 10IRR	Diamond 20IRR	Diamond 10IRR
Northwest Terr	200	70	535	179
Nunavut	202	71	542	182
British Columbia	194	67	507	157
Alberta	186	61	498	157
Saskatchewan	222	106	525	216
Manitoba	219	79	593	200
Ontario	182	70	496	164
Quebec	201	72	549	186
New Brunswick	227	86	585	221
Nova Scotia	220	93	574	213
Newfoundland	223	83	605	218
Yukon	223	84	605	222

Country/ State	BaseMetal 20IRR	BaseMetal 10IRR	Diamond 20IRR	Diamond 10IRR
West.Australia	253	132	752	306
SouthAustralia	215	100	549	216
Alaska, USA	248	98	633	241
Nevada, USA	207	82	539	212
Sweden	161	59	456	162
S Africa	242	124	723	350
Namibia	279	127	1,085	452
Chile	271	94	749	250
Peru	245	117	617	270
Mexico	138	49	384	128

Total Life-of-mine Net Cash Flow \$million, \$ of-the-day

Canada	BaseMetal 20IRR	BaseMetal 10IRR	Diamond 20IRR	Diamond 10IRR
Northwest Terr	1,223	527	3,223	1,375
Nunavut	1,215	523	3,201	1,366
British Columbia	1,232	535	3,277	1,440
Alberta	1,265	559	3,332	1,427
Saskatchewan	1,195	459	3,304	1,324
Manitoba	1,165	506	3,048	1,319
Ontario	1,291	540	3,356	1,451
Quebec	1,215	515	3,195	1,342
New Brunswick	1,152	493	3,070	1,296
Nova Scotia	1,185	488	3,141	1,348
Newfoundland	1,168	505	3,067	1,331
Yukon	1,164	486	3,077	1,290

Country/ State	BaseMetal 20IRR	BaseMetal 10IRR	Diamond 20IRR	Diamond 10IRR
West.Australia	1,105	371	2,710	1,096
SouthAustralia	1,192	446	3,292	1,314
Alaska, USA	1,141	472	3,071	1,244
Nevada, USA	1,266	521	3,362	1,346
Sweden	1,358	569	3,573	1,480
S Africa	1,151	400	2,832	970
Namibia	1,025	376	1,681	577
Chile	1,016	433	2,676	1,132
Peru	1,177	429	3,252	1,272
Mexico	1,419	598	3,723	1,545

Total Life-of-mine Royalty+Tax + Net Cash Flow \$million, \$ of-the-day

Canada	BaseMetal 20IRR	BaseMetal 10IRR	Diamond 20IRR	Diamond 10IRR
Northwest Terr	1,884	786	4,950	2,038
Nunavut	1,884	786	4,950	2,038
British Columbia	1,884	786	4,950	2,038
Alberta	1,884	786	4,950	2,038
Saskatchewan	1,884	782	4,950	2,037
Manitoba	1,884	786	4,950	2,038
Ontario	1,884	785	4,950	2,038
Quebec	1,885	787	4,949	2,037
New Brunswick	1,890	788	4,949	2,037
Nova Scotia	1,884	782	4,949	2,037
Newfoundland	1,890	789	4,950	2,037
Yukon	1,884	786	4,950	2,038

Country/ State	BaseMetal 20IRR	BaseMetal 10IRR	Diamond 20IRR	Diamond 10IRR
West.Australia	1,884	780	4,950	2,037
SouthAustralia	1,884	784	4,950	2,036
Alaska, USA	1,887	791	4,950	2,036
Nevada, USA	1,887	790	4,950	2,036
Sweden	1,884	786	4,950	2,036
S Africa	1,884	781	4,950	2,036
Namibia	1,884	783	4,949	2,036
Chile	1,880	781	4,937	2,024
Peru	1,884	782	4,950	2,034
Mexico	1,884	786	4,950	2,038

Present Value of Total Life-of-mine Net Cash Flow \$million

Canada	BaseMetal 20IRR	BaseMetal 10IRR	Diamond 20IRR	Diamond 10IRR
Northwest Terr	271		729	
Nunavut	268	-1	722	-3
British Columbia	276	4	757	22
Alberta	284	9	766	22
Saskatchewan	248	-37	739	-37
Manitoba	251	-8	671	-21
Ontario	288		769	15
Quebec	269	-1	715	-8
New Brunswick	246	-15	679	-43
Nova Scotia	250	-25	690	-34
Newfoundland	249	-12	660	-39
Yukon	247	-14	659	-43

Country/ State	BaseMetal 20IRR	BaseMetal 10IRR	Diamond 20IRR	Diamond 10IRR
West.Australia	217	-65	513	-127
SouthAustralia	255	-30	715	-38
Alaska, USA	224	-25	631	-63
Nevada, USA	266	-9	725	-34
Sweden	309	11	809	17
S Africa	228	-56	541	-172
Namibia	191	-58	179	-273
Chile	197	-26	508	-79
Peru	225	-49	648	-92
Mexico	332	21	880	51

Present Value of Total Life-of-mine Royalty+Tax + Net Cash Flow \$million

Canada	BaseMetal 20IRR	BaseMetal 10IRR	Diamond 20IRR	Diamond 10IRR
Northwest Terr	470	70	1,264	179
Nunavut	470	70	1,264	179
British Columbia	470	70	1,264	179
Alberta	470	70	1,264	179
Saskatchewan	470	69	1,264	179
Manitoba	470	70	1,264	179
Ontario	470	70	1,264	179
Quebec	471	71	1,264	179
New Brunswick	473	71	1,264	179
Nova Scotia	470	68	1,264	179
Newfoundland	473	72	1,264	179
Yukon	470	70	1,264	179

Country/ State	BaseMetal 20IRR	BaseMetal 10IRR	Diamond 20IRR	Diamond 10IRR
West.Australia	470	67	1,264	179
SouthAustralia	470	69	1,264	178
Alaska, USA	472	73	1,264	178
Nevada, USA	472	73	1,264	178
Sweden	470	70	1,264	178
S Africa	470	68	1,264	178
Namibia	470	69	1,264	178
Chile	468	67	1,257	171
Peru	470	69	1,264	178
Mexico	470	70	1,264	179

MineTax**General Economic Parameters**

Base Year, commencement of production	2007
Number of years of mine production	15
Discount rate for discounted cash flow analysis	10%
Debt: Total Initial Capital Investment	50%
Annual interest rate on corporate debt, Cdn business prime rate	4.25%
Inflation/Escalation	
Annual escalation rate for operating costs and value of money	2.00%
Annual escalation rate for capital costs	2.00%
Annual escalation rate for mine revenues	2.00%

Notes:

- Pre-production interest expenses are capitalized
- Debt scheduled for repayment in equal annual instalments over 5 years
- Shortfall in meeting annual debt repayment is added to debt,
with payments rescheduled over remaining term
- All expenses after onset of production paid from cash flow

Mine Tax

Canadian & International Fiscal Parameters

Current tax and royalty rates, including legislated future changes

Canadian Fiscal Parameters	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Federal Income Tax																		
Corporate income tax rate	28%	28%	28%	28%	26.5%	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%
Resource income tax rate reduction	7%	7%	6%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
Corporate income tax surtax rate	4%	4%	4%	4%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Large corporation tax rate	0.2000%	0.175%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Resource Allowance	10%	16%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Accelerated Capital Cost Allowance (ACCA)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Capital Cost Allowance, Class 41a (CCA)	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Canadian Exploration Expense (CEE)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Canadian Development Expense (CDE)	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Atlantic & Gaspe Investment Tax Credit	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Provincial Minino Tax Deduction (Federal)	25%	25%	65%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Canadian Exploration Expense Tax Credit	7%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Northwest Territories + Nunavut																		
NWT Corporate income tax rate	14.0%	14.0%	12.8%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
NT Corporate income tax rate	12.0%	12.0%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
CMR Royalty																		
CMR royalty rate (maximum)	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%
for value of output up to \$10,000.	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
for output over \$10,000 to \$5,000,000.	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
increment for each additional \$5,000,000. of output to maximum (for output over \$45,000,000.)	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Depreciation allowance	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Exploration & development allowance	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Processing allowance max % of rovaliable income	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%
Processing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
British Columbia																		
Corporate income tax rate	12.0%	12.0%	12.0%	12.0%	12.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%
Preproduction capital cross-uo rate	22.22%	22.22%	22.22%	22.22%	22.22%	22.22%	22.22%	22.22%	22.22%	22.22%	22.22%	22.22%	22.22%	22.22%	22.22%	22.22%	22.22%	22.22%
Investment allowance rate	2.66%	2.66%	5.33%	5.77%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%
Mining tax part 1 rate	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Mining tax part 2 rate	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%
Alberta (Metallic Minerals, Diamonds)																		
Corporate income tax rate	11.5%	11.5%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Royalty Tax credit rate, average annual	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Royalty Tax credit shelter maximum (\$000)	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000
Mining tax rate, pre-ovout	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Mining tax rate, post-ovout	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
Capital Allowance	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Processing Allowance rate	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Saskatchewan (Gold & Base Metal)																		
Corporate income tax rate	17.0%	17.0%	15.5%	13.5%	12.5%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Capital tax, base rate	0.6%	0.6%	0.6%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Resource surcharoe on capital tax	2.6%	2.6%	2.5%	2.2%	2.1%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Resource surcharoe on capital tax DIAMONDS	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Mining tax rate, initial period	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Mining tax rate, pastthreshold	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Threshold for minino tax increase (\$000)	800 000	800 000	800 000	800 000	800 000	800 000	800 000	800 000	800 000	800 000	800 000	800 000	800 000	800 000	800 000	800 000	800 000	800 000
Preproduction allowance	140%	140%	140%	140%	140%	140%	140%	140%	140%	140%	140%	140%	140%	140%	140%	140%	140%	140%
Depreciation	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Manitoba																		
Corporate income tax rate	15.0%	15.0%	14.5%	14.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%
Capital tax, base rate	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Capital tax, surtax rate	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Capital deductible amount (\$000)	5 000	5 000	5 000	5 000	5 000	5 000	5 000	5 000	5 000	5 000	5 000	5 000	5 000	5 000	5 000	5 000	5 000	5 000
Capital deductible amount for surtax (\$000)	10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000
Mining tax rate	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%
Special tax rate	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Depreciation allowance rate	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
Investment credit rate	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
Processing allowance rate	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%

Ontario

Corporate income tax rate	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Resource allowance rate	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Capital tax rate	0.300%	0.300%	0.300%	0.285%	0.285%	0.275%	0.150%	0.075%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Capital tax, deductible amount (\$000)	5,000	7,500	10,000	10,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Mining tax rate	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Mining tax exemption (annual) (\$000)	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500
Mining tax holiday amount (\$000)	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Mining tax holiday period (yr)	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Remote mines																			
Mining tax rate	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Mining tax holiday amount (\$000)	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Mining tax holiday period (yr)	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Depreciation allowance rate, preprod. mine assets	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Depreciation allowance rate, mine assets	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Depreciation allowance rate, processing and transportation assets	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Processing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Development expense allowance rate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Minimum corporate income tax rate	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
Ontario charitable donation deduction rate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Made in Ontario deduction part 2 allowance			15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Made in Ontario deduction part 2 allowance limit rate			20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%

Quebec

Corporate income tax rate	8.9%	8.9%	9.9%	9.9%	11.4%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%
Resource allowance rate	25%	25%	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Capital tax rate	0.600%	0.525%	0.400%	0.360%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%
Capital tax, deductible amount (\$000)	600	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Mining duty rate	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
Depreciation allowance rate assets	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Exploration & development expense allowance rate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Processing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
For mines north of 51°																			
Tax Holiday for first production years	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Limit as % of processing assets for the year	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%

New Brunswick

Corporate income tax rate	13%	13%	13%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
Capital tax rate	0.300%	0.300%	0.250%	0.200%	0.100%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Capital tax, deductible amount (\$000)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Metallic minerals royalty	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Royalty holiday on initial production (yr)	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Mining tax rate	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%
Depreciation allowance other assets	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%
Depreciation allowance new mine assets	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Minimum depreciation allowance new mine assets	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Exploration expense allowance rate	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%
Processing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Processing allowance maximum of revenue	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Processing allowance maximum of profit	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%
Financing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Income tax credit maximum annual limit (\$000)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000

Nova Scotia

Corporate income tax rate	16%	16%	16%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
Capital tax rate, capital between 5M and 10M	0.550%	0.550%	0.500%	0.450%	0.400%	0.300%	0.200%	0.100%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Capital tax rate, capital above 10M	0.300%	0.275%	0.250%	0.225%	0.200%	0.150%	0.100%	0.050%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Capital tax, deductible amount (\$000)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Capital tax, deductible amount 2nd level (\$000)	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Net revenue royalty	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Royalty holiday on initial production (yr)	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Net income royalty	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Depreciation allowance after yr 3	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Depreciation allowance new mine assets, 1st 3 yr	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Minimum depreciation allowance new mine assets	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Exploration expense allowance rate	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%
Processing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Processing allowance cross-up factor on asset value	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Processing allowance maximum of profit	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%
Financing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Income tax credit maximum annual limit (\$000)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000

Newfoundland & Labrador

Corporate income tax rate	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%
Minino tax rate	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Proportion of Net Income subject to Minino Tax	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
Mineral rights tax rate	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
Depreciation allowance Class 1&2 assets	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Depreciation allowance Class 3 assets	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Exploration expense allowance rate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Processing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Processing allowance maximum of income	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%
Income tax credit (10 yr.)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Income tax credit maximum annual limit (\$000)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000

Yukon

Corporate income tax rate	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	
QMA Royalty																				
value of output 1	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
value of output 2	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
value of output 3	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
additional value of output increment	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
royalty rate at output 1	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
royalty rate at output 2	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
royalty rate at output 3	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
royalty rate for additional output increment	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Depreciation allowance rate	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%

International Fiscal Parameters as of 2007

Current tax and royalty rates, including legislated future changes

Australia

Federal corporate income tax rate	30%
Western Australia	
Base metal ad valorem rovalty rate	5%
Tier 1 ad valorem diamond rovalty rate	7.5%
Tier 2 net profit diamond rovalty rate	22.5%
South Australia	
Base metal ad valorem rovalty rate	3.5%
Reduced ad valorem rovalty rate	1.5%
Reduced ad valorem rovalty term (yr)	5

Sweden

Corporate income tax rate	28%
Ad valorem minerals rovalty	
to land owner	0.15%
to state	0.05%
total	0.20%

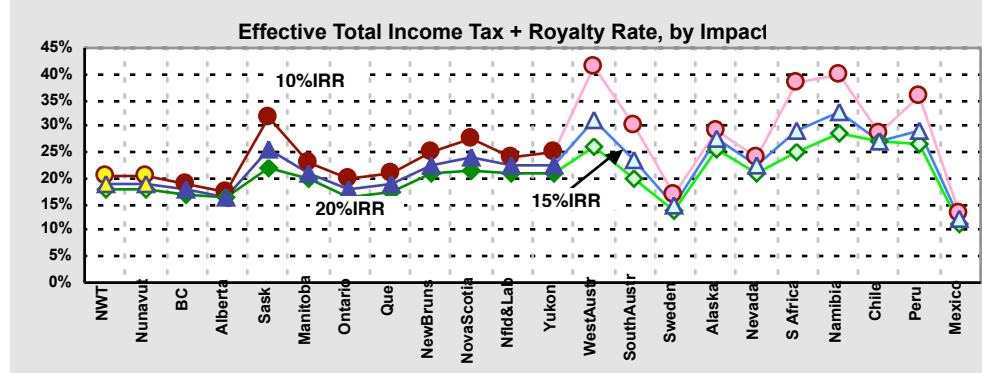
USA

Federal corporate income tax rate	35%
Alternative minimum tax rate	20%
Environmental tax rate	0.12%
Alaska	
State corporate income tax rate	0.4%
Alternative minimum tax rate	18%
Minino license tax	7%
tax free period (yr)	3
tax reduction in 1st taxable year	50%
tax rate, net income up to \$40k	0%
tax rate, net income between \$40k and \$100k	5%
tax rate, net income above \$100k	7%
Production rovalty on net income	3%
Nevada	
State corporate income tax rate	0%
Alternative minimum tax rate	0%
Net proceeds of minerals tax rate	5%

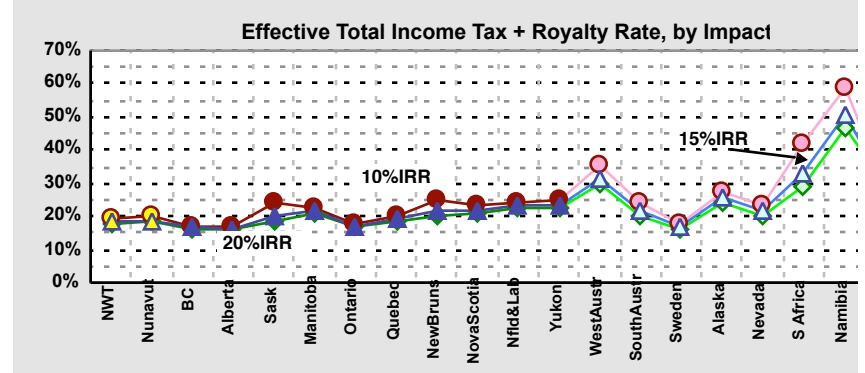
South Africa	
Corporate income tax rate	28%
Ad valorem unrefined base metal royalty rate	4%
Ad valorem unpolished diamond royalty rate	5%
Unpolished diamond export levv	5%
Namibia	
Corporate income tax rate - base metals	37.5%
Corporate income tax rate - diamonds	55%
Non-resident tax on dividends rate	10%
Ad valorem base metal royalty rate	3%
Ad valorem diamond royalty rate	10%
Chile	
First category tax rate	17%
Additional (profits) tax rate	42%
Mining activities tax rate	5%
production threshold for mining activities tax t/v	50 000
Mexico	
Corporate income tax rate	28%
Obligatory profit sharing rate	10%
Tax on assets rate	1.25%
Peru	
Corporate income tax rate	
Basic tax rate	27%
Tax on dividends / profit distributions rate	4%
Effective total statutory rate	30%
Mining Royalty rates, ad valorem base tax rate	
value of sales up to \$60M	1%
value of sales from \$60M to \$120M	2%
value of sales above \$120M	3%
Denmark - Greenland	
Corporate income tax rate	30%
Mineral royalty fee rate	0%

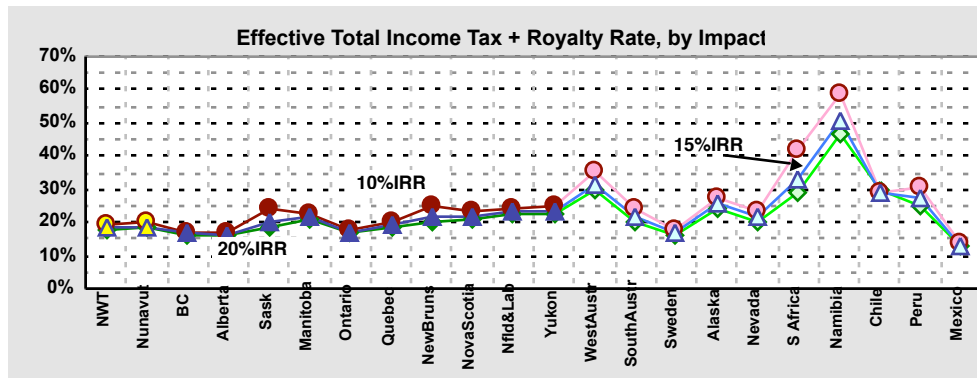
MineTax

Base Metal Mine



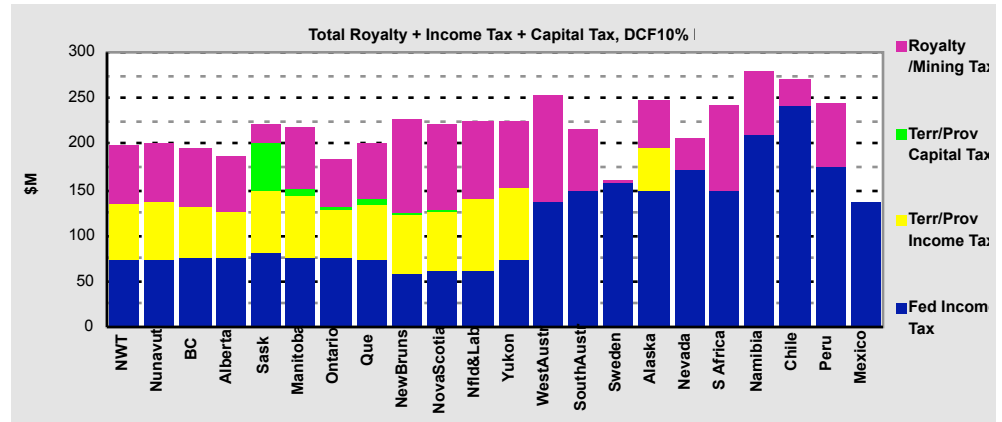
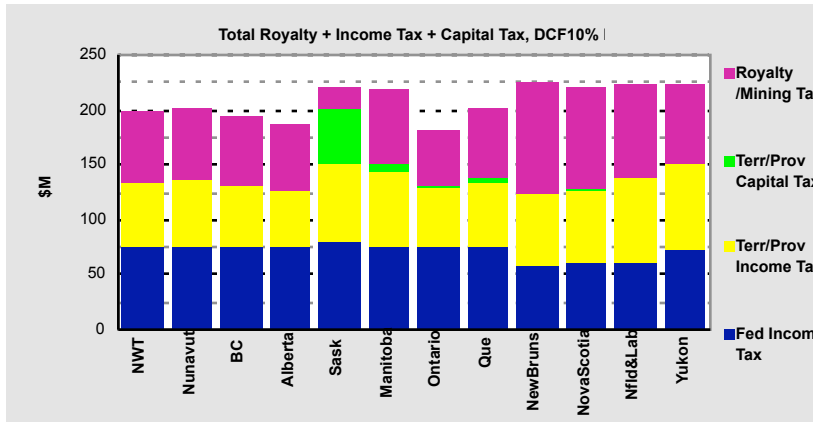
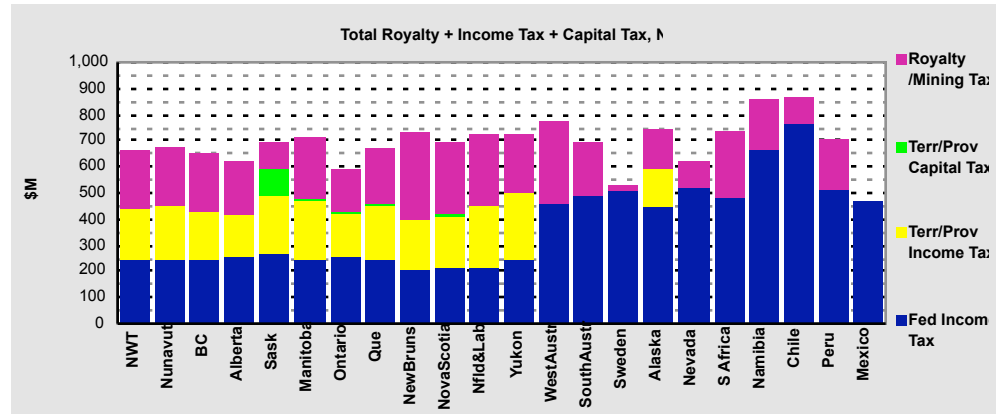
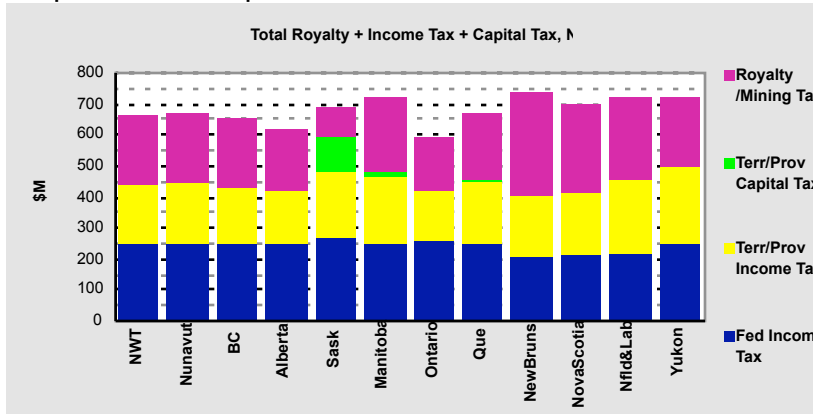
Diamond Mine





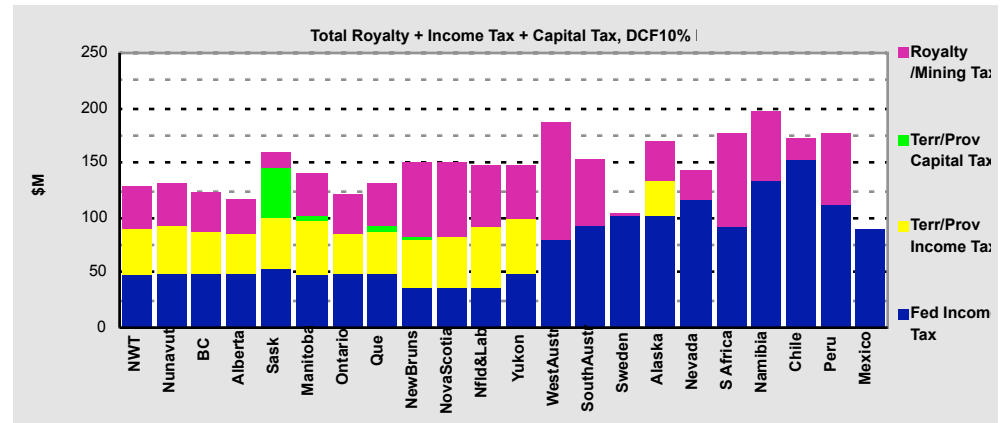
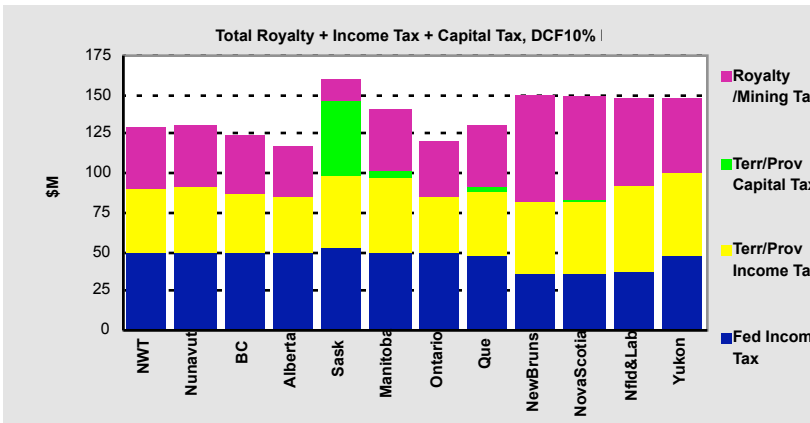
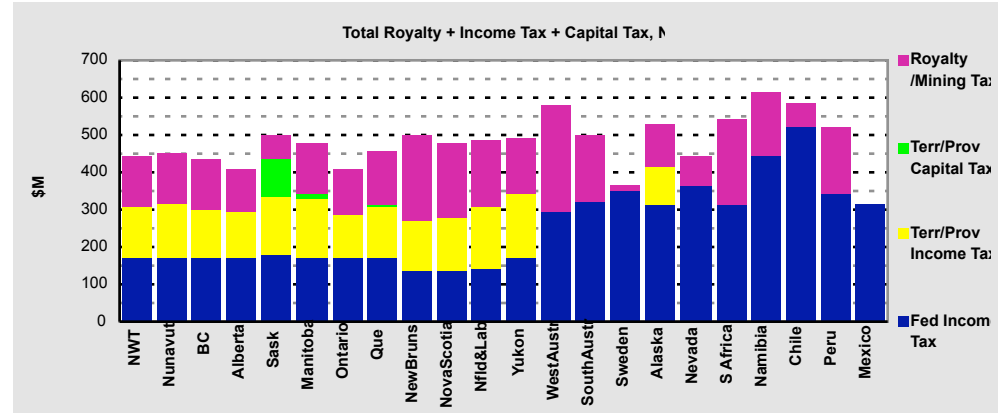
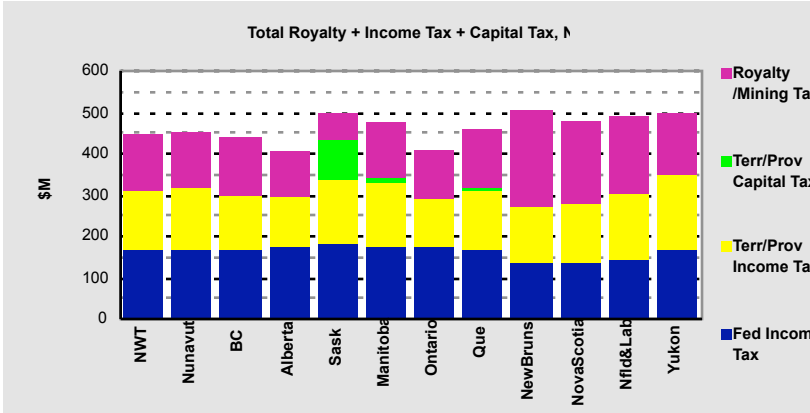
MineTax

Medium Scale Base Metal Mine, 20%IRR (NWT), After Tax
Comparative Results Graphs



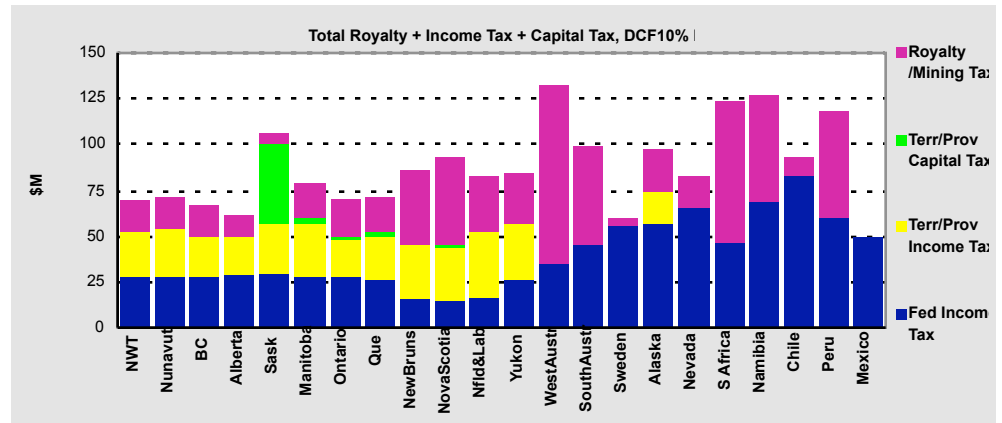
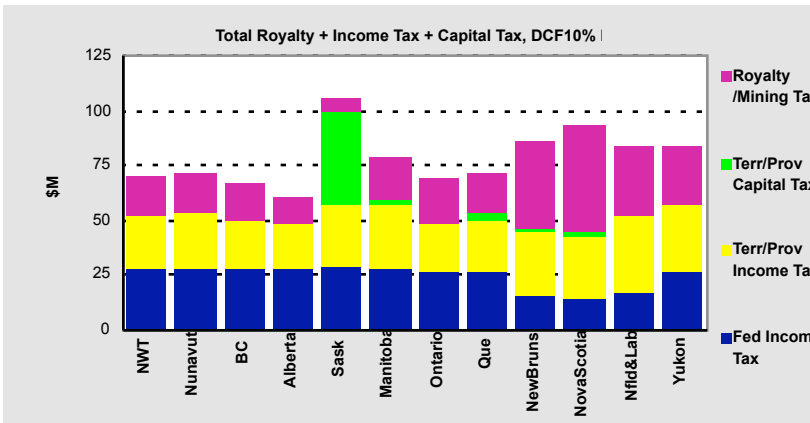
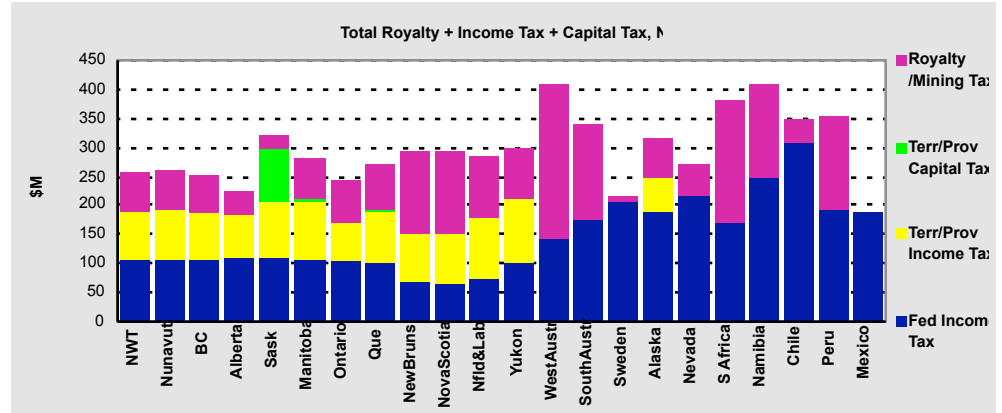
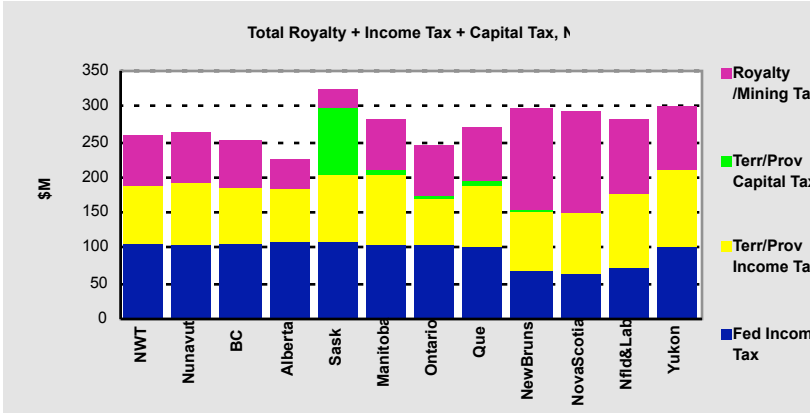
MineTax

Medium Scale Base Metal Mine, 15%IRR (NWT), After Tax
Comparative Results Graphs



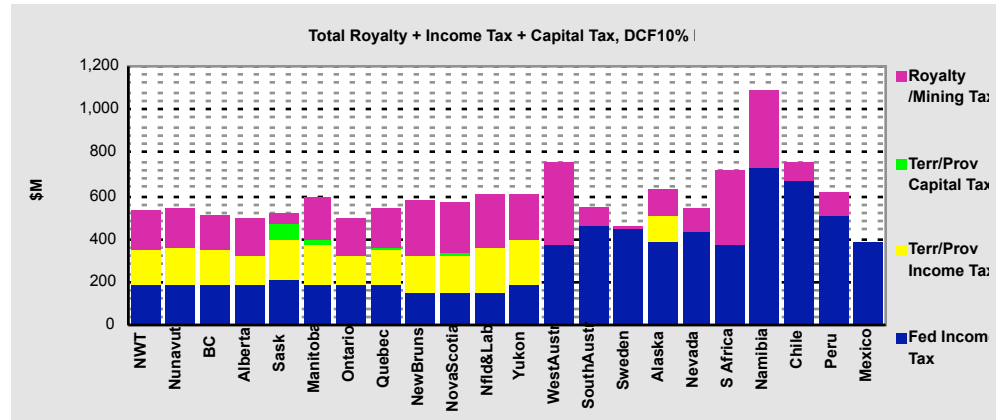
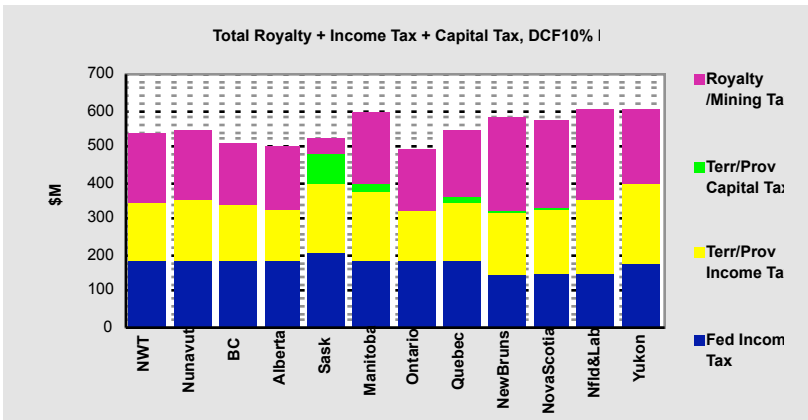
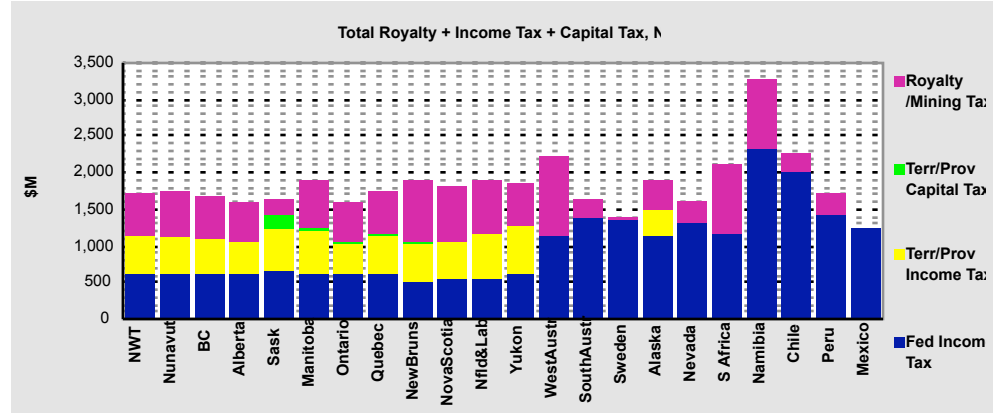
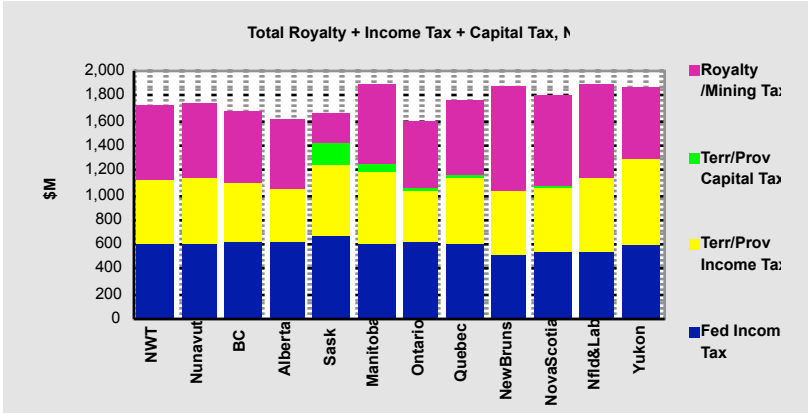
MineTax

Medium Scale Base Metal Mine, 10%IRR (NWT), After Tax
Comparative Results Graphs



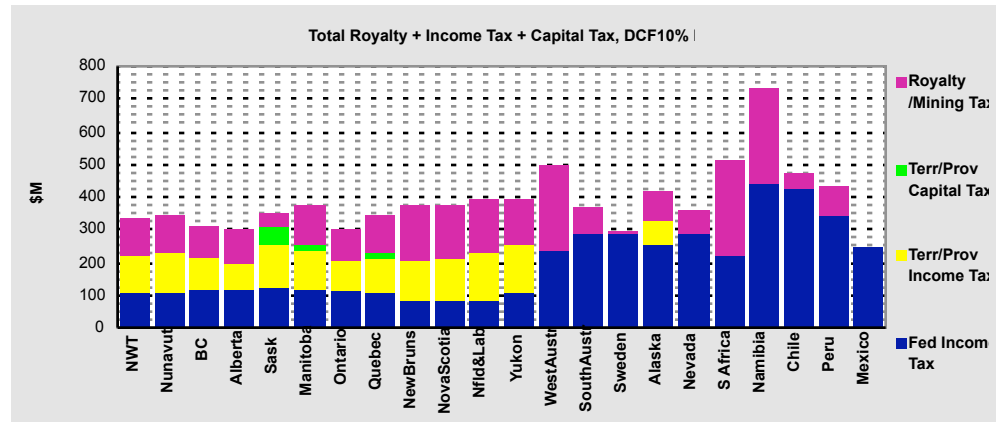
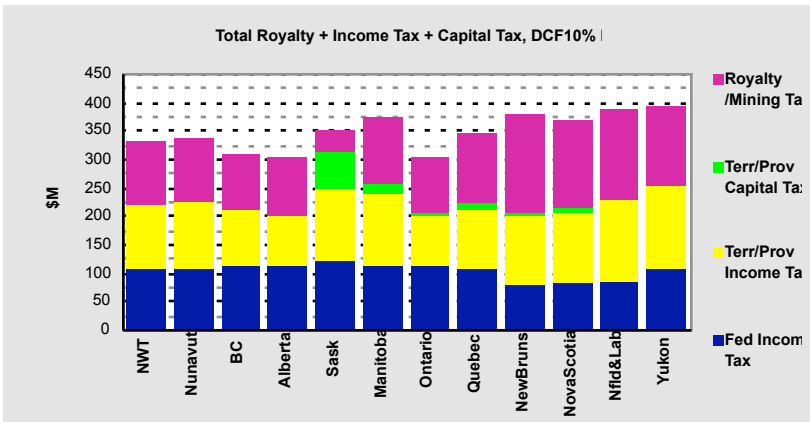
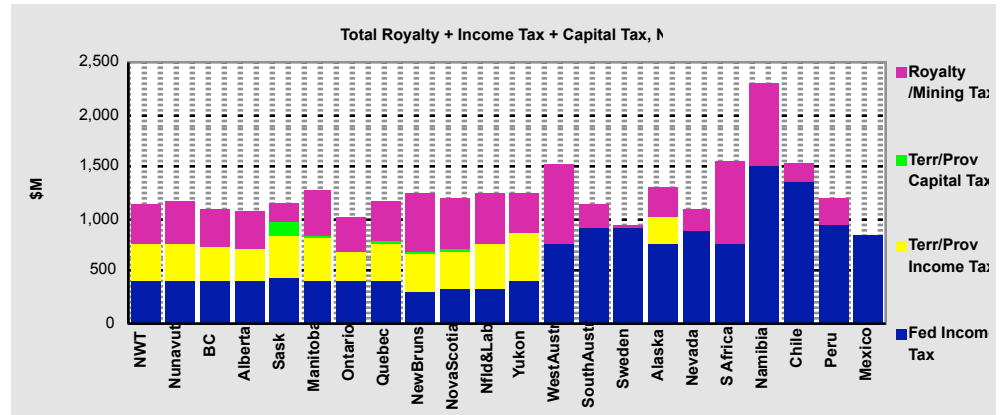
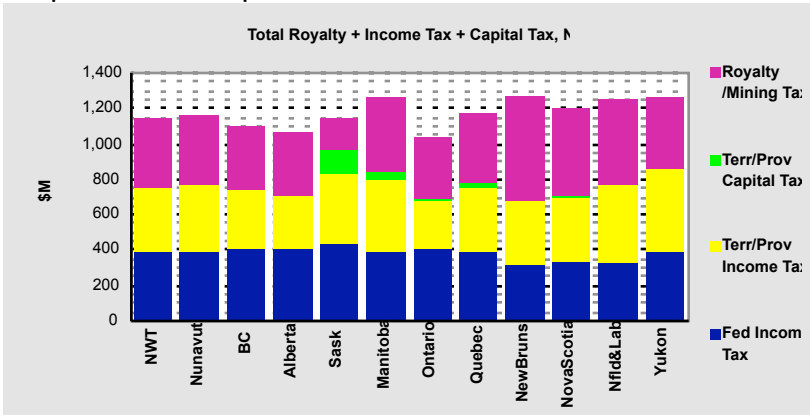
MineTax

Larger Scale Diamond Mine, 20%IRR (NWT), After Tax
Comparative Results Graphs



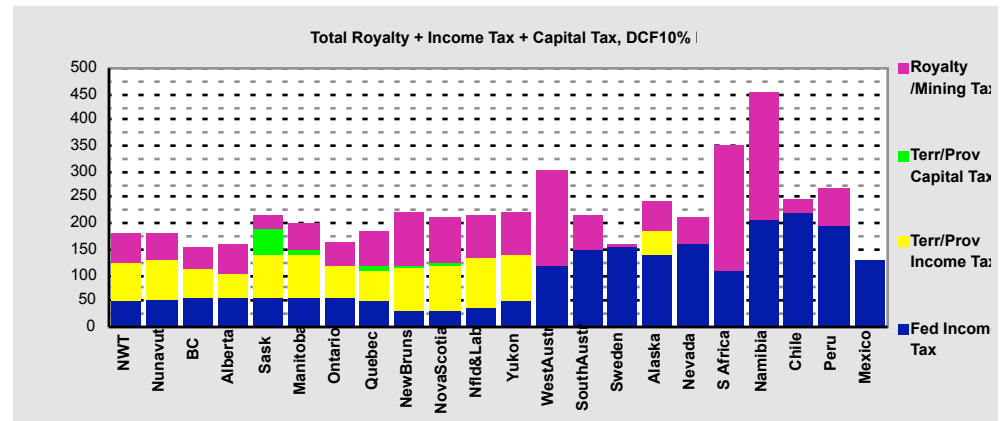
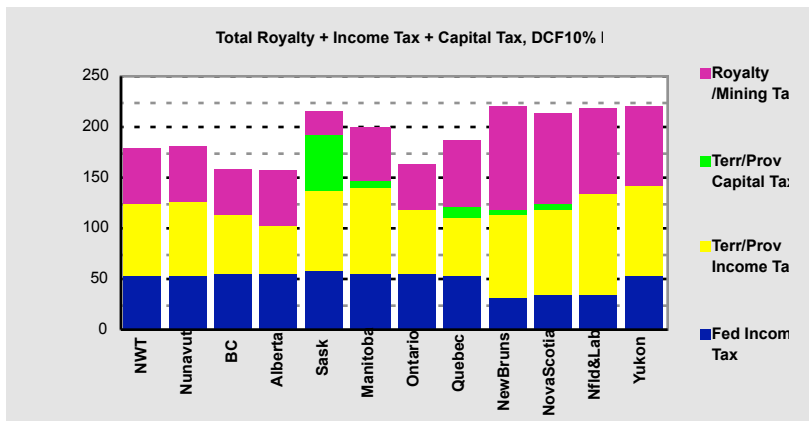
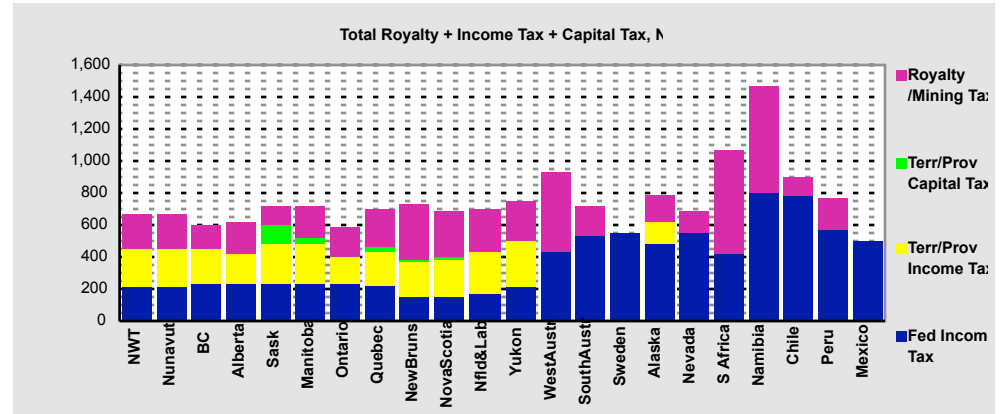
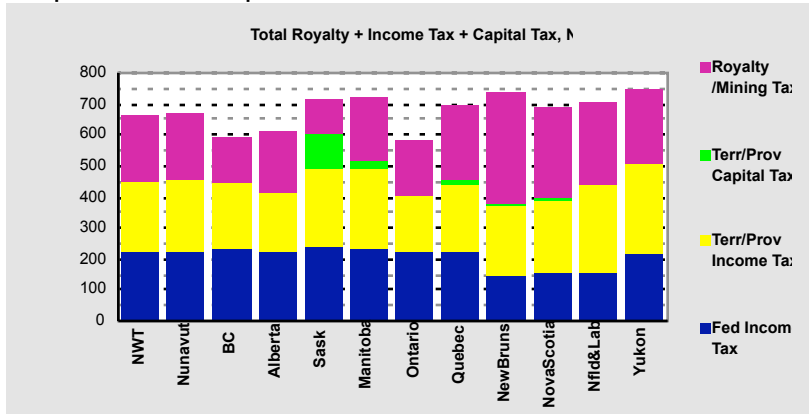
MineTax

Larger Scale Diamond Mine, 15%IRR (NWT), After Tax
Comparative Results Graphs



MineTax

Larger Scale Diamond Mine, 10%IRR (NWT), After Tax
Comparative Results Graphs



Mine Tax
Medium Scale Base Metal Mine Mine Model
20%IRR (NWT), After Tax Profitability Model
 Current tax and royalty rates, including legislated future changes
Summary of Cash Flow and Tax

	CMR royalty		Canadian Comparisons									
	Northwest Territories	Nunavut	British Columbia	Alberta	Saskatchewan	Manitoba	Ontario	Quebec	New Brunswick	Nova Scotia	Newfoundland & Labrador	Yukon
Internal Rate of Return, IRR, at Debt:Total Initial Capital Investment = 50%												
Before Tax IRR, Total Invested Capital Basis	24.3%	24.3%	24.3%	24.3%	24.3%	24.3%	24.3%	24.3%	24.3%	24.3%	24.3%	24.3%
After Tax IRR, Total Invested Capital Basis	20.0%	19.9%	20.2%	20.4%	18.9%	19.4%	20.3%	20.1%	19.2%	19.0%	19.2%	19.2%
Effective Total Royalty + Tax Rate												
By impact on Internal Rate of Return	17.7%	17.9%	16.8%	16.2%	22.1%	20.1%	16.4%	17.4%	21.0%	21.6%	20.9%	21.2%
By NPV royalty / NPV net cash flow before royalty and taxes	13.8%	13.8%	13.5%	12.8%	4.3%	14.7%	11.0%	13.1%	21.6%	19.7%	17.9%	15.3%
By NPV royalty + taxes / NPV net cash flow before royalties	42.4%	43.0%	41.3%	39.6%	47.2%	46.7%	38.8%	42.8%	47.9%	46.9%	47.3%	47.5%
Total Project Investment Summary: Nominal Dollars (Of-the-Year)												
Capital Investment												
Life-of-Mine Total	503,580,508											
Initial Development to Production	403,408,535											
Mine Revenue (Net Smelter Return)	9,038,408,024											
Federal Income Tax	247,677,889	247,677,889	247,320,266	250,729,008	266,618,368	246,972,040	254,957,488	248,168,956	205,887,800	212,897,914	215,691,336	247,208,677
Terr/Prov Income Tax	0	0	0	0	0	0	0	0	0	0	0	0
Terr/Prov Capital Tax	194,784,629	203,253,526	184,875,649	170,317,020	219,063,144	219,993,095	166,553,892	200,716,499	194,433,894	200,144,649	235,977,582	253,968,601
Mining Tax or Royalty	218,358,543	218,358,543	220,406,268	197,923,785	92,751,649	235,579,228	169,052,796	210,519,188	335,852,843	282,443,674	270,756,032	219,013,920
Net Cash Flow To Mine Project	1,223,322,967	1,214,854,071	1,231,541,846	1,265,174,215	1,194,913,440	1,165,043,353	1,290,974,352	1,215,440,501	1,151,851,266	1,185,319,090	1,167,535,923	1,163,952,831
Total Taxes	660,821,061	669,289,958	652,602,183	618,969,813	689,129,584	719,003,905	593,109,748	669,412,936	737,934,710	696,647,341	722,424,950	720,191,198
Total Project Investment Summary: discounted Present Value, at 10% Real Discount Rate												
Capital Investment												
Life-of-Mine Total	367,749,306											
Initial Development to Production	329,751,216											
Mine Revenue (Net Smelter Return)	2,693,047,616											
Federal Income Tax	74,109,095	74,109,095	74,481,757	74,969,613	80,832,872	74,372,751	76,047,857	74,065,571	58,652,118	60,203,588	61,369,992	73,399,536
Terr/Prov Income Tax	0	0	0	0	0	0	0	0	0	0	0	0
Terr/Prov Capital Tax	60,345,143	62,968,845	56,256,208	51,455,934	68,816,616	68,745,753	52,831,020	60,548,112	64,433,837	65,691,315	77,707,598	78,174,528
Mining Tax or Royalty	65,049,398	65,049,398	63,344,435	59,958,382	20,341,833	69,096,562	51,827,716	61,794,358	102,176,432	92,451,479	84,412,102	71,745,402
Net Cash Flow To Mine Project	270,620,040	267,996,338	276,041,275	283,739,746	247,992,056	250,600,115	287,842,076	269,287,371	246,169,062	249,588,950	249,349,713	246,804,209
Total Taxes	199,503,636	202,127,338	194,082,401	186,383,930	222,066,128	219,460,998	182,242,651	201,309,672	226,556,407	220,418,944	223,489,692	223,319,467
Royalty as proportion of net profit before royalty and tax												
Nominal Dollars	11.6%	11.6%	11.7%	10.5%	4.9%	12.5%	9.0%	11.2%	17.8%	15.0%	14.3%	11.6%
Net Present Value	13.8%	13.8%	13.5%	12.8%	4.3%	14.7%	11.0%	13.1%	21.6%	19.7%	17.9%	15.3%
Total Tax + Royalty as proportion of net profit before royalty and tax												
Nominal Dollars	35.1%	35.5%	34.6%	32.9%	36.6%	38.2%	31.5%	35.5%	39.0%	37.1%	38.2%	38.2%
Net Present Value	42.4%	43.0%	41.3%	39.6%	47.2%	46.7%	38.8%	42.8%	47.9%	46.9%	47.3%	47.5%

MineTax
Medium Scale Base Metal Mine
20%IRR (NWT), After Tax
 Current tax and royalty rates, including legisla
Summary of Cash Flow and Tax

	International Comparisons									
	Western Australia	South Australia	Sweden	USA, Alaska	USA, Nevada	South Africa	Namibia	Chile	Peru	Mexico
Internal Rate of Return, IRR, at Debt:Total Initial Ca										
Before Tax IRR, Total Invested Capital Basis	24.3%	24.3%	24.3%	24.4%	24.4%	24.3%	24.3%	24.2%	24.3%	24.3%
After Tax IRR, Total Invested Capital Basis	18.0%	19.4%	20.9%	18.1%	19.3%	18.2%	17.3%	17.6%	17.8%	21.6%
Effective Total Royalty + Tax Rate										
By impact on Internal Rate of Return	25.9%	20.1%	14.0%	25.7%	20.8%	24.9%	28.9%	27.2%	26.6%	11.3%
By NPV royalty / NPV net cash flow before royalty and	24.9%	13.9%	1.0%	11.0%	7.4%	19.9%	14.9%	6.4%	14.9%	0.0%
By NPV royalty + taxes / NPV net cash flow before roy	53.8%	45.8%	34.3%	52.6%	43.7%	51.5%	59.4%	58.0%	52.1%	29.4%
Total Project Investment Summary: Nominal Dolar										
Capital Investment										
Life-of-Mine Total										
Initial Development to Production										
Mine Revenue (Net Smelter Return)										
Federal Income Tax	457,146,452	494,407,821	513,220,545	445,264,065	516,536,663	475,189,425	665,664,833	770,350,869	513,879,472	465,142,835
Terr/Prov Income Tax	0	0	0	0	0	0	0	0	0	0
Terr/Prov Capital Tax	0	0	0	142,069,841	0	0	0	0	0	0
Mining Tax or Royalty	321,859,975	197,778,848	12,874,399	159,339,737	104,611,195	257,487,980	193,115,985	93,874,143	193,115,985	0
Net Cash Flow To Mine Project	1,105,014,165	1,191,957,360	1,358,049,084	1,140,715,447	1,266,241,232	1,151,466,623	1,025,363,210	1,016,046,705	1,177,002,659	1,419,001,168
Total Taxes	779,006,426	692,186,669	526,094,944	746,673,644	621,147,658	732,677,405	858,780,818	864,225,012	706,995,457	465,142,835
Total Project Investment Summary: discounted Pr										
Capital Investment										
Life-of-Mine Total										
Initial Development to Production										
Mine Revenue (Net Smelter Return)										
Federal Income Tax	136,064,170	149,779,616	156,389,337	149,154,964	171,786,357	148,595,837	208,984,396	241,108,263	174,745,603	138,294,986
Terr/Prov Income Tax	0	0	0	0	0	0	0	0	0	0
Terr/Prov Capital Tax	0	0	0	47,129,061	0	0	0	0	0	0
Mining Tax or Royalty	116,983,806	65,451,226	4,679,352	51,950,712	34,756,731	93,587,045	70,190,283	30,043,170	70,190,283	0
Net Cash Flow To Mine Project	217,014,304	254,892,833	309,054,987	224,087,775	265,779,423	227,940,794	190,948,997	196,509,996	225,115,213	331,828,688
Total Taxes	253,047,975	215,230,843	161,068,689	248,234,737	206,543,087	242,182,882	279,174,679	271,151,433	244,935,686	138,294,986
Royalty as proportion of net profit before royalty a										
Nominal Dollars	17.1%	10.5%	0.7%	8.4%	5.5%	13.7%	10.2%	5.0%	10.3%	0.0%
Net Present Value	24.9%	13.9%	1.0%	11.0%	7.4%	19.9%	14.9%	6.4%	14.9%	0.0%
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Tax + Royalty as proportion of net profit befo										
Nominal Dollars	41.3%	36.7%	27.9%	39.6%	32.9%	38.9%	45.6%	46.0%	37.5%	24.7%
Net Present Value	53.8%	45.8%	34.3%	52.6%	43.7%	51.5%	59.4%	58.0%	52.1%	29.4%

Mine Tax
Medium Scale Base Metal Mine Mine Model
15%IRR (NWT), After Tax Profitability Model
 Current tax and royalty rates, including legislated future changes
Summary of Cash Flow and Tax

	CMR royalty		Canadian Comparisons									
	Northwest Territories	Nunavut	British Columbia	Alberta	Saskatchewan	Manitoba	Ontario	Quebec	New Brunswick	Nova Scotia	Newfoundland & Labrador	Yukon
Internal Rate of Return, IRR, at Debt:Total Initial Capital Investment = 50%												
Before Tax IRR, Total Invested Capital Basis	18.5%	18.5%	18.5%	18.5%	18.4%	18.5%	18.5%	18.5%	18.4%	18.4%	18.5%	18.5%
After Tax IRR, Total Invested Capital Basis	15.0%	14.9%	15.2%	15.4%	13.7%	14.6%	15.2%	15.0%	14.3%	14.1%	14.3%	14.3%
Effective Total Royalty + Tax Rate												
By impact on Internal Rate of Return	18.7%	19.0%	17.7%	16.6%	25.6%	21.1%	17.7%	18.7%	22.7%	23.8%	22.3%	22.4%
By NPV royalty / NPV net cash flow before royalty and taxes	15.1%	15.1%	14.7%	12.5%	5.2%	15.3%	13.4%	14.9%	26.2%	26.0%	21.4%	18.3%
By NPV royalty + taxes / NPV net cash flow before royalties and taxes	50.0%	50.7%	48.3%	45.4%	62.1%	54.9%	46.8%	50.7%	57.9%	58.5%	57.0%	57.3%
Total Project Investment Summary: Nominal Dollars (Of-the-Year)												
Capital Investment												
Life-of-Mine Total	503,580,508											
Initial Development to Production	403,408,535											
Mine Revenue (Net Smelter Return)	8,208,366,878											
Federal Income Tax	170,744,302	170,744,302	170,503,277	174,161,605	181,975,844	172,246,763	173,768,003	169,879,617	132,844,820	136,079,233	140,018,139	168,985,361
Terr/Prov Income Tax	0	0	0	0	0	0	0	0	0	0	0	0
Terr/Prov Capital Tax	136,645,615	142,586,729	129,312,917	119,996,082	152,320,874	156,270,363	113,748,967	139,398,294	136,670,660	139,487,034	166,105,905	176,474,471
Mining Tax or Royalty	137,707,258	137,707,258	139,290,358	114,886,546	62,180,678	139,528,514	117,344,246	138,580,052	230,242,303	201,233,250	182,937,022	149,458,247
Net Cash Flow To Mine Project	852,838,925	846,897,811	858,805,820	888,853,178	800,228,222	818,248,129	891,200,709	841,958,665	801,251,777	817,665,896	813,831,276	803,042,742
Total Taxes	445,097,174	451,038,288	439,106,553	409,044,234	497,058,248	479,573,552	406,530,385	456,676,266	501,397,264	479,443,874	489,061,066	494,918,079
Total Project Investment Summary: discounted Present Value, at 10% Real Discount Rate												
Capital Investment												
Life-of-Mine Total	367,749,306											
Initial Development to Production	329,751,216											
Mine Revenue (Net Smelter Return)	2,445,731,903											
Federal Income Tax	48,528,085	48,528,085	48,835,703	49,637,957	52,290,111	49,205,642	49,177,797	48,135,328	35,377,198	35,711,260	37,197,232	47,614,654
Terr/Prov Income Tax	0	0	0	0	0	0	0	0	0	0	0	0
Terr/Prov Capital Tax	41,126,490	42,914,598	37,626,791	34,741,010	46,435,735	47,419,041	35,530,600	40,149,716	45,731,228	45,913,927	55,066,291	52,729,816
Mining Tax or Royalty	38,899,489	38,899,489	37,704,755	32,225,507	13,270,433	39,241,701	34,461,913	38,360,498	67,791,549	66,590,746	55,448,616	46,930,837
Net Cash Flow To Mine Project	128,376,841	126,588,733	132,751,854	140,307,187	97,264,455	115,922,037	136,600,495	126,802,365	108,971,547	106,497,741	111,522,740	109,667,894
Total Taxes	128,554,063	130,342,171	124,167,249	116,604,474	159,328,829	140,937,525	120,219,303	130,596,820	150,115,373	149,996,306	147,712,139	147,275,307
Royalty as proportion of net profit before royalty and tax												
Nominal Dollars	10.6%	10.6%	10.7%	8.9%	4.8%	10.8%	9.0%	10.7%	17.7%	15.5%	14.0%	11.5%
Net Present Value	15.1%	15.1%	14.7%	12.5%	5.2%	15.3%	13.4%	14.9%	26.2%	26.0%	21.4%	18.3%
Total Tax + Royalty as proportion of net profit before royalty and tax												
Nominal Dollars	34.3%	34.8%	33.8%	31.5%	38.3%	37.0%	31.3%	35.2%	38.5%	37.0%	37.5%	38.1%
Net Present Value	50.0%	50.7%	48.3%	45.4%	62.1%	54.9%	46.8%	50.7%	57.9%	58.5%	57.0%	57.3%

MineTax
Medium Scale Base Metal Mine
15%IRR (NWT), After Tax
 Current tax and royalty rates, including legisla
Summary of Cash Flow and Tax

	International Comparisons									
	Western Australia	South Australia	Sweden	USA, Alaska	USA, Nevada	South Africa	Namibia	Chile	Peru	Mexico
Internal Rate of Return, IRR, at Debt:Total Initial Ca										
Before Tax IRR, Total Invested Capital Basis	18.4%	18.5%	18.5%	18.6%	18.6%	18.4%	18.4%	18.4%	18.4%	18.5%
After Tax IRR, Total Invested Capital Basis	12.7%	14.1%	15.7%	13.4%	14.4%	13.0%	12.4%	13.4%	13.0%	16.2%
Effective Total Royalty + Tax Rate										
By impact on Internal Rate of Return	31.0%	23.5%	15.0%	27.6%	22.4%	29.3%	32.6%	27.1%	29.4%	12.2%
By NPV royalty / NPV net cash flow before royalty and	41.5%	23.1%	1.7%	14.3%	9.7%	33.1%	24.8%	7.7%	24.9%	0.0%
By NPV royalty + taxes / NPV net cash flow before roy	73.0%	59.3%	41.0%	66.0%	55.1%	69.4%	76.5%	68.0%	68.8%	34.9%
Total Project Investment Summary: Nominal Dolar										
Capital Investment										
Life-of-Mine Total										
Initial Development to Production										
Mine Revenue (Net Smelter Return)										
Federal Income Tax	289,800,576	323,920,665	349,410,205	315,592,859	364,789,763	311,781,960	442,356,651	524,043,743	343,160,345	317,424,671
Terr/Prov Income Tax	0	0	0	99,480,591	0	0	0	0	0	0
Terr/Prov Capital Tax	0	0	0	0	0	0	0	0	0	0
Mining Tax or Royalty	292,302,002	179,615,851	11,692,080	113,124,838	76,988,095	233,841,601	175,381,201	64,611,749	175,381,201	0
Net Cash Flow To Mine Project	714,540,455	794,153,996	936,822,495	773,199,092	859,574,895	751,400,070	679,686,377	705,170,686	778,486,562	980,536,156
Total Taxes	582,102,578	503,536,516	361,102,285	528,198,288	441,777,858	545,623,561	617,737,852	588,655,492	518,541,546	317,424,671
Total Project Investment Summary: discounted Pr										
Capital Investment										
Life-of-Mine Total										
Initial Development to Production										
Mine Revenue (Net Smelter Return)										
Federal Income Tax	80,964,081	92,795,842	101,160,078	102,166,547	117,633,797	92,912,319	132,705,037	153,514,376	112,617,634	89,633,213
Terr/Prov Income Tax	0	0	0	31,883,041	0	0	0	0	0	0
Terr/Prov Capital Tax	0	0	0	0	0	0	0	0	0	0
Mining Tax or Royalty	106,240,612	59,440,520	4,249,624	37,016,055	25,240,628	84,992,489	63,744,367	19,474,530	63,744,367	0
Net Cash Flow To Mine Project	69,095,921	104,572,386	151,515,571	88,171,644	116,340,664	78,578,922	60,217,444	81,363,429	80,129,384	167,309,981
Total Taxes	187,204,692	152,236,363	105,409,703	171,065,643	142,874,425	177,904,809	196,449,404	172,988,907	176,362,001	89,633,213
Royalty as proportion of net profit before royalty a										
Nominal Dollars	22.5%	13.8%	0.9%	8.7%	5.9%	18.0%	13.5%	5.0%	13.5%	0.0%
Net Present Value	41.5%	23.1%	1.7%	14.3%	9.7%	33.1%	24.8%	7.7%	24.9%	0.0%
Total Tax + Royalty as proportion of net profit befo										
Nominal Dollars	44.9%	38.8%	27.8%	40.6%	33.9%	42.1%	47.6%	45.5%	40.0%	24.5%
Net Present Value	73.0%	59.3%	41.0%	66.0%	55.1%	69.4%	76.5%	68.0%	68.8%	34.9%

Mine Tax
Medium Scale Base Metal Mine Mine Model
10%IRR (NWT), After Tax Profitability Model
 Current tax and royalty rates, including legislated future changes
Summary of Cash Flow and Tax

	CMR royalty		Canadian Comparisons									
	Northwest Territories	Nunavut	British Columbia	Alberta	Saskatchewan	Manitoba	Ontario	Quebec	New Brunswick	Nova Scotia	Newfoundland & Labrador	Yukon
Internal Rate of Return, IRR, at Debt:Total Initial Capital Investment = 50%												
Before Tax IRR, Total Invested Capital Basis	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%
After Tax IRR, Total Invested Capital Basis	10.0%	10.0%	10.2%	10.4%	8.5%	9.7%	10.0%	10.0%	9.4%	9.0%	9.5%	9.4%
Effective Total Royalty + Tax Rate												
By impact on Internal Rate of Return	20.2%	20.6%	19.0%	17.2%	32.0%	23.0%	20.1%	20.8%	24.9%	27.8%	23.9%	24.9%
By NPV royalty / NPV net cash flow before royalty and taxes	25.5%	25.5%	24.1%	17.0%	8.6%	26.7%	29.4%	27.0%	56.6%	71.0%	43.9%	38.1%
By NPV royalty + taxes / NPV net cash flow before royalties and taxes	99.9%	101.5%	94.7%	86.6%	154.4%	111.9%	99.7%	101.6%	120.8%	136.2%	116.6%	119.8%
Total Project Investment Summary: Nominal Dollars (Of-the-Year)												
Capital Investment												
Life-of-Mine Total	503,580,508											
Initial Development to Production	403,408,535											
Mine Revenue (Net Smelter Return)	7,489,936,059											
Federal Income Tax	104,246,495	104,246,495	104,833,297	108,227,900	110,008,898	106,120,054	103,525,087	102,301,545	66,659,399	64,844,681	72,056,122	101,025,221
Terr/Prov Income Tax	0	0	0	0	0	0	0	0	0	0	0	0
Terr/Prov Capital Tax	85,663,963	89,388,483	81,154,931	76,040,279	94,747,317	98,960,549	67,442,768	85,786,357	85,578,921	84,786,237	104,815,426	108,514,331
Mining Tax or Royalty	69,258,097	69,258,097	65,167,686	42,438,078	27,050,024	68,608,794	73,107,018	78,332,706	142,106,488	142,488,470	106,874,779	90,826,819
Net Cash Flow To Mine Project	526,999,671	523,275,151	534,833,914	559,184,651	458,744,478	505,662,151	540,152,257	514,693,795	492,537,004	487,549,133	505,064,789	485,895,421
Total Taxes	259,168,555	262,893,073	251,155,913	226,706,257	323,631,696	280,395,087	245,055,508	272,173,312	295,884,540	294,340,668	283,746,326	300,366,371
Total Project Investment Summary: discounted Present Value, at 10% Real Discount Rate												
Capital Investment												
Life-of-Mine Total	367,749,306											
Initial Development to Production	329,751,216											
Mine Revenue (Net Smelter Return)	2,231,671,152											
Federal Income Tax	0	27,412,811	27,653,963	28,409,035	28,948,146	27,926,700	26,964,060	26,778,610	15,405,292	14,524,842	16,689,792	26,176,802
Terr/Prov Income Tax	0	0	0	0	0	0	0	0	0	0	0	0
Terr/Prov Capital Tax	24,938,113	26,022,375	21,928,611	20,438,482	27,762,163	28,977,291	21,464,703	23,028,323	29,272,027	28,472,821	35,354,945	31,291,965
Terr/Prov Royalty	0	0	0	0	43,227,853	2,980,118	662,579	3,055,198	1,150,272	1,541,132	0	0
Mining Tax or Royalty	17,939,100	17,939,100	16,933,863	11,932,610	5,864,852	18,783,562	20,568,077	19,089,483	40,383,217	48,515,414	31,402,080	26,850,079
Net Cash Flow To Mine Project	53,271	(1,030,953)	3,744,598	9,434,099	(37,269,486)	(8,394,164)	227,008	(1,139,837)	(14,831,904)	(24,735,354)	(11,864,568)	(13,928,785)
Total Taxes	70,290,024	71,374,290	66,516,438	60,780,127	105,623,114	78,667,671	69,659,418	71,951,624	86,210,809	93,054,210	83,446,817	84,318,846
Royalty as proportion of net profit before royalty and tax												
Nominal Dollars	8.8%	8.8%	8.3%	5.4%	3.5%	8.7%	9.3%	10.0%	18.0%	18.2%	13.5%	11.6%
Net Present Value	25.5%	25.5%	24.1%	17.0%	8.6%	26.7%	29.4%	27.0%	56.6%	71.0%	43.9%	38.1%
Total Tax + Royalty as proportion of net profit before royalty and tax												
Nominal Dollars	33.0%	33.4%	32.0%	28.8%	41.4%	35.7%	31.2%	34.6%	37.5%	37.6%	36.0%	38.2%
Net Present Value	99.9%	101.5%	94.7%	86.6%	154.4%	111.9%	99.7%	101.6%	120.8%	136.2%	116.6%	119.8%

MineTax
Medium Scale Base Metal Mine
10%IRR (NWT), After Tax
 Current tax and royalty rates, including legisla
Summary of Cash Flow and Tax

	International Comparisons									
	Western Australia	South Australia	Sweden	USA, Alaska	USA, Nevada	South Africa	Namibia	Chile	Peru	Mexico
Internal Rate of Return, IRR, at Debt:Total Initial Ca										
Before Tax IRR, Total Invested Capital Basis	12.4%	12.5%	12.5%	12.6%	12.6%	12.5%	12.5%	12.4%	12.5%	12.5%
After Tax IRR, Total Invested Capital Basis	7.3%	8.7%	10.4%	9.0%	9.6%	7.7%	7.5%	8.9%	8.0%	10.9%
Effective Total Royalty + Tax Rate										
By impact on Internal Rate of Return	41.6%	30.2%	16.7%	29.0%	23.9%	38.5%	40.0%	28.7%	35.9%	13.5%
By NPV royalty / NPV net cash flow before royalty and	143.8%	78.1%	5.5%	32.3%	23.3%	113.9%	84.7%	16.2%	84.8%	0.0%
By NPV royalty + taxes / NPV net cash flow before roy	195.8%	143.4%	84.2%	133.6%	112.7%	182.0%	185.0%	139.2%	171.0%	69.5%
Total Project Investment Summary: Nominal Dollar										
Capital Investment										
Life-of-Mine Total										
Initial Development to Production										
Mine Revenue (Net Smelter Return)										
Federal Income Tax	142,444,607	174,582,674	206,381,214	188,616,739	216,696,122	168,168,094	246,689,278	308,614,804	193,451,352	188,494,574
Terr/Prov Income Tax	0	0	0	0	0	0	0	0	0	0
Terr/Prov Capital Tax	0	0	0	58,242,808	0	0	0	0	0	0
Mining Tax or Royalty	266,718,500	163,895,115	10,668,740	71,613,658	53,148,907	213,374,800	160,031,100	39,284,063	160,031,100	0
Net Cash Flow To Mine Project	370,709,861	445,698,684	569,033,660	472,148,853	520,653,095	399,793,709	375,865,439	433,001,246	428,999,827	597,838,882
Total Taxes	409,163,107	338,477,789	217,049,954	318,473,204	269,845,029	381,542,695	406,720,378	347,698,886	353,482,452	188,494,574
Total Project Investment Summary: discounted Present Value										
Capital Investment										
Life-of-Mine Total										
Initial Development to Production										
Mine Revenue (Net Smelter Return)										
Federal Income Tax	35,089,314	45,293,436	55,319,593	56,639,893	65,303,562	46,391,808	68,849,793	82,662,749	59,179,090	48,949,552
Terr/Prov Income Tax	0	0	0	0	0	0	0	0	0	0
Terr/Prov Capital Tax	0	0	0	17,433,744	0	0	0	0	0	0
Mining Tax or Royalty	96,941,986	54,238,036	3,877,679	23,580,619	17,048,414	77,553,589	58,165,192	10,896,705	58,165,192	0
Net Cash Flow To Mine Project	(64,609,183)	(30,105,808)	11,106,556	(24,536,481)	(9,295,894)	(55,857,478)	(58,343,932)	(26,347,539)	(48,717,139)	21,470,902
Total Taxes	132,031,300	99,531,472	59,197,272	97,654,256	82,351,976	123,945,397	127,014,985	93,559,454	117,344,282	48,949,552
Royalty as proportion of net profit before royalty a										
Nominal Dollars	34.2%	20.9%	1.4%	9.1%	6.7%	27.3%	20.4%	5.0%	20.5%	0.0%
Net Present Value	143.8%	78.1%	5.5%	32.3%	23.3%	113.9%	84.7%	16.2%	84.8%	0.0%
Total Tax + Royalty as proportion of net profit befo										
Nominal Dollars	52.5%	43.2%	27.6%	40.3%	34.1%	48.8%	52.0%	44.6%	45.2%	24.0%
Net Present Value	195.8%	143.4%	84.2%	133.6%	112.7%	182.0%	185.0%	139.2%	171.0%	69.5%

Mine Tax
Larger Scale Diamond Mine Mine Model
20%IRR (NWT), After Tax Profitability Model
 Current tax and royalty rates, including legislated future changes
Summary of Cash Flow and Tax

	CMR royalty		Canadian Comparisons									
	Northwest Territories	Nunavut	British Columbia	Alberta	Saskatchewan	Manitoba	Ontario	Quebec	New Brunswick	Nova Scotia	Newfoundland & Labrador	Yukon
Internal Rate of Return, IRR, at Debt:Total Initial Capital Investment = 50%												
Before Tax IRR, Total Invested Capital Basis	24.4%	24.4%	24.4%	24.4%	24.4%	24.4%	24.4%	24.4%	24.4%	24.4%	24.4%	24.4%
After Tax IRR, Total Invested Capital Basis	20.0%	19.9%	20.4%	20.4%	19.9%	19.4%	20.3%	19.8%	19.4%	19.4%	19.0%	19.0%
Effective Total Royalty + Tax Rate												
By impact on Internal Rate of Return	18.1%	18.4%	16.4%	16.4%	18.7%	20.6%	16.8%	18.8%	20.4%	20.6%	22.1%	22.3%
By NPV royalty / NPV net cash flow before royalty and taxes	14.7%	14.7%	13.1%	14.0%	3.9%	15.3%	13.3%	14.9%	20.6%	19.0%	19.8%	16.7%
By NPV royalty + taxes / NPV net cash flow before royalties and taxes	42.3%	42.9%	40.1%	39.4%	41.5%	46.9%	39.2%	43.4%	46.3%	45.4%	47.8%	47.9%
Total Project Investment Summary: Nominal Dollars (Of-the-Year)												
Capital Investment												
Life-of-Mine Total	1,762,204,311											
Initial Development to Production	1,226,227,500											
Mine Revenue (Net Smelter Return)	13,298,152,367											
Federal Income Tax	610,724,931	610,724,931	616,734,468	616,991,059	668,363,647	609,139,130	618,793,466	612,271,388	515,668,542	530,916,712	530,929,654	609,719,426
Terr/Prov Income Tax	514,551,713	536,923,527	0	0	0	0	0	0	0	0	0	0
Terr/Prov Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0
Mining Tax or Royalty	600,914,094	600,914,094	566,532,763	557,706,148	230,645,006	658,695,081	548,704,255	584,797,081	839,949,439	734,513,290	732,446,781	590,440,699
Net Cash Flow To Mine Project	3,223,338,789	3,200,966,976	3,277,295,544	3,331,965,209	3,303,616,562	3,047,694,804	3,356,127,520	3,195,476,942	3,069,679,156	3,141,419,160	3,066,662,001	3,076,643,985
Total Taxes	1,726,190,738	1,748,562,551	1,672,233,983	1,617,564,318	1,645,912,965	1,901,834,723	1,593,402,007	1,753,331,210	1,879,283,543	1,807,553,422	1,882,867,526	1,872,885,542
Total Project Investment Summary: discounted Present Value, at 10% Discount Rate												
Capital Investment												
Life-of-Mine Total	1,214,265,284											
Initial Development to Production	1,006,927,122											
Mine Revenue (Net Smelter Return)	4,047,278,064											
Federal Income Tax	183,070,121	183,070,121	186,889,475	184,539,827	204,443,213	185,528,721	185,732,141	182,442,034	145,395,680	148,799,308	147,675,016	179,662,363
Terr/Prov Income Tax	166,309,360	173,540,202	0	0	0	0	0	0	0	0	0	0
Terr/Prov Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0
Mining Tax or Royalty	185,563,512	185,563,512	165,501,120	176,388,470	49,819,685	193,685,162	168,545,804	188,416,058	260,280,805	240,111,169	250,315,825	210,639,759
Net Cash Flow To Mine Project	729,483,698	722,252,857	757,249,979	766,269,755	739,337,956	671,185,072	768,665,281	715,132,893	679,397,566	690,107,472	659,923,538	659,273,358
Total Taxes	534,942,993	542,173,834	507,176,712	498,156,936	525,088,735	593,241,619	495,761,410	548,822,908	584,659,189	573,955,724	604,503,153	605,153,333
Royalty as proportion of net profit before royalty and tax												
Nominal Dollars	12.1%	12.1%	11.4%	11.3%	4.7%	13.3%	11.1%	11.8%	17.0%	14.8%	14.8%	11.9%
Net Present Value	14.7%	14.7%	13.1%	14.0%	3.9%	15.3%	13.3%	14.9%	20.6%	19.0%	19.8%	16.7%
Total Tax + Royalty as proportion of net profit before royalty and tax												
Nominal Dollars	34.9%	35.3%	33.8%	32.7%	33.3%	38.4%	32.2%	35.4%	38.0%	36.5%	38.0%	37.8%
Net Present Value	42.3%	42.9%	40.1%	39.4%	41.5%	46.9%	39.2%	43.4%	46.3%	45.4%	47.8%	47.9%

Mine Tax
Larger Scale Diamond Mine
20%IRR (NWT), After Tax
 Current tax and royalty rates, including legis
Summary of Cash Flow and Tax

International Comparisons										
	Western Australia	South Australia	Sweden	USA, Alaska	USA, Nevada	South Africa	Namibia	Chile	Peru	Mexico
Internal Rate of Return, IRR, at Debt:Total Initial C										
Before Tax IRR, Total Invested Capital Basis	24.4%	24.4%	24.4%	24.4%	24.4%	24.4%	24.4%	24.3%	24.4%	24.4%
After Tax IRR, Total Invested Capital Basis	17.2%	19.5%	20.4%	18.5%	19.4%	17.4%	12.9%	17.1%	18.2%	21.3%
Effective Total Royalty + Tax Rate										
By impact on Internal Rate of Return	29.6%	20.1%	16.2%	24.4%	20.5%	28.8%	47.0%	29.4%	25.3%	12.6%
By NPV royalty / NPV net cash flow before royalty an	30.1%	7.4%	0.6%	10.3%	7.9%	27.9%	27.9%	6.6%	8.4%	0.0%
By NPV royalty + taxes / NPV net cash flow before rc	59.5%	43.4%	36.0%	50.1%	42.6%	57.2%	85.8%	59.6%	48.8%	30.4%
Total Project Investment Summary: Nominal Doll										
Capital Investment										
Life-of-Mine Total										
Initial Development to Production										
Mine Revenue (Net Smelter Return)										
Federal Income Tax	1,126,144,352	1,375,847,556	1,357,591,589	1,129,869,007	1,303,024,553	1,171,892,159	2,321,683,600	2,014,682,580	1,413,663,598	1,226,599,580
Terr/Prov Income Tax	0	0	0	0	0	0	0	0	0	0
Terr/Prov Capital Tax	0	0	0	357,846,412	0	0	0	0	0	0
Mining Tax or Royalty	1,113,644,144	281,300,129	18,917,262	390,646,836	284,943,254	945,863,076	945,863,076	246,574,551	283,758,923	0
Net Cash Flow To Mine Project	2,709,741,032	3,292,381,842	3,573,020,677	3,071,167,272	3,361,561,720	2,831,774,291	1,681,416,062	2,676,218,124	3,252,107,006	3,722,929,944
Total Taxes	2,239,788,495	1,657,147,685	1,376,508,850	1,878,362,255	1,587,967,807	2,117,755,236	3,267,546,676	2,261,257,130	1,697,422,521	1,226,599,580
Total Project Investment Summary: discounted P										
Capital Investment										
Life-of-Mine Total										
Initial Development to Production										
Mine Revenue (Net Smelter Return)										
Federal Income Tax	370,631,350	454,982,182	448,626,566	383,133,916	438,741,171	370,399,440	732,445,575	665,794,120	510,748,505	384,417,347
Terr/Prov Income Tax	0	0	0	0	0	0	0	0	0	0
Terr/Prov Capital Tax	0	0	0	119,820,960	0	0	0	0	0	0
Mining Tax or Royalty	381,129,506	93,977,953	7,051,366	130,348,056	100,467,918	352,568,301	352,568,301	83,249,002	105,770,490	0
Net Cash Flow To Mine Project	512,665,835	715,466,556	808,748,759	631,123,759	725,217,602	541,458,951	179,172,441	507,714,385	647,907,696	880,009,345
Total Taxes	751,760,856	548,960,135	455,677,932	633,302,932	539,209,090	722,967,741	1,085,013,876	749,043,122	616,518,995	384,417,347
Royalty as proportion of net profit before royalty										
Nominal Dollars	22.5%	5.7%	0.4%	7.9%	5.8%	19.1%	19.1%	5.0%	5.7%	0.0%
Net Present Value	30.1%	7.4%	0.6%	10.3%	7.9%	27.9%	27.9%	6.6%	8.4%	0.0%
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Tax + Royalty as proportion of net profit bef										
Nominal Dollars	45.3%	33.5%	27.8%	38.0%	32.1%	42.8%	66.0%	45.8%	34.3%	24.8%
Net Present Value	59.5%	43.4%	36.0%	50.1%	42.6%	57.2%	85.8%	59.6%	48.8%	30.4%

Mine Tax
Larger Scale Diamond Mine Mine Model
15% IRR (NWT), After Tax Profitability Model
 Current tax and royalty rates, including legislated future changes
Summary of Cash Flow and Tax

	CMR royalty		Canadian Comparisons									
	Northwest Territories	Nunavut	British Columbia	Alberta	Saskatchewan	Manitoba	Ontario	Quebec	New Brunswick	Nova Scotia	Newfoundland & Labrador	Yukon
Internal Rate of Return, IRR, at Debt: Total Initial Capital Investment = 50%												
Before Tax IRR, Total Invested Capital Basis	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%
After Tax IRR, Total Invested Capital Basis	15.0%	14.9%	15.3%	15.4%	14.6%	14.4%	15.3%	14.9%	14.4%	14.4%	14.2%	14.1%
Effective Total Royalty + Tax Rate												
By impact on Internal Rate of Return	18.4%	18.7%	16.5%	16.1%	20.3%	21.4%	16.7%	19.1%	21.8%	21.8%	23.0%	23.2%
By NPV royalty / NPV net cash flow before royalty and taxes	16.7%	16.7%	14.3%	15.3%	5.5%	17.8%	14.5%	17.8%	25.4%	23.2%	23.5%	20.7%
By NPV royalty + taxes / NPV net cash flow before taxes	49.4%	50.1%	45.7%	44.8%	51.9%	55.7%	45.0%	51.1%	55.9%	55.0%	57.4%	57.9%
Total Project Investment Summary: Nominal Dollars (Of-the-Year)												
Capital Investment												
Life-of-Mine Total	1,762,204,311											
Initial Development to Production	1,226,227,500											
Mine Revenue (Net Smelter Return)	11,082,973,524											
Federal Income Tax	397,712,573	397,712,573	404,438,517	403,473,245	430,684,740	398,170,576	404,736,582	397,295,651	315,424,209	328,161,198	329,883,066	396,421,870
Terr/Prov Income Tax	357,191,208	372,721,261	339,598,420	305,551,543	403,077,534	406,830,661	275,591,717	358,705,445	360,322,900	370,628,422	433,870,266	464,751,636
Terr/Prov Capital Tax	0	0	0	0	134,655,965	37,801,666	5,219,688	26,606,363	5,286,248	9,838,176	0	0
Mining Tax or Royalty	393,667,068	393,667,068	348,827,447	355,262,588	173,852,622	427,954,713	346,840,343	395,725,172	578,526,245	492,656,780	482,710,580	401,368,790
Net Cash Flow To Mine Project	2,225,359,438	2,209,829,386	2,281,065,904	2,309,642,911	2,231,659,426	2,103,172,671	2,341,541,977	2,194,876,279	2,113,803,857	2,172,088,767	2,127,466,376	2,111,387,992
Total Taxes	1,148,570,849	1,164,100,902	1,092,864,383	1,064,287,377	1,142,270,861	1,270,757,616	1,032,388,310	1,178,332,632	1,269,559,602	1,201,284,576	1,246,463,911	1,262,542,296
Total Project Investment Summary: discounted Present Value, at 10% Discount Rate												
Capital Investment												
Life-of-Mine Total	1,214,265,284											
Initial Development to Production	1,006,927,122											
Mine Revenue (Net Smelter Return)	3,373,090,816											
Federal Income Tax	108,990,918	108,990,918	111,989,899	110,608,208	120,092,621	110,416,700	111,095,647	108,184,012	79,736,768	82,790,685	82,763,848	107,105,852
Terr/Prov Income Tax	112,427,498	117,315,650	101,213,255	88,915,978	128,914,409	130,139,229	92,297,592	103,725,099	123,015,868	125,477,410	146,343,568	144,781,848
Terr/Prov Capital Tax	0	0	0	0	65,263,908	16,140,346	2,832,488	13,613,349	3,919,706	6,413,155	0	0
Mining Tax or Royalty	112,749,115	112,749,115	96,528,652	103,600,944	37,420,487	120,212,650	98,414,422	120,429,796	171,728,269	157,301,634	159,432,448	140,163,637
Net Cash Flow To Mine Project	342,958,144	338,069,992	367,393,868	374,000,544	325,434,249	300,216,749	372,485,526	330,702,528	298,355,127	304,779,295	288,585,810	285,074,338
Total Taxes	334,167,530	339,055,682	309,731,806	303,125,130	351,691,426	376,908,926	304,640,148	345,952,256	378,400,612	371,982,883	388,539,864	392,051,336
Royalty as proportion of net profit before royalty and tax												
Nominal Dollars	11.7%	11.7%	10.3%	10.5%	5.2%	12.7%	10.3%	11.7%	17.1%	14.6%	14.3%	11.9%
Net Present Value	16.7%	16.7%	14.3%	15.3%	5.5%	17.8%	14.5%	17.8%	25.4%	23.2%	23.5%	20.7%
Total Tax + Royalty as proportion of net profit before royalty and tax												
Nominal Dollars	34.0%	34.5%	32.4%	31.5%	33.9%	37.7%	30.6%	34.9%	37.3%	35.6%	36.9%	37.4%
Net Present Value	49.4%	50.1%	45.7%	44.8%	51.9%	55.7%	45.0%	51.1%	55.9%	55.0%	57.4%	57.9%

MineTax

Larger Scale Diamond Mine

15%IRR (NWT), After Tax

Current tax and royalty rates, including legis

Summary of Cash Flow and Tax

International Comparisons										
	Western Australia	South Australia	Sweden	USA, Alaska	USA, Nevada	South Africa	Namibia	Chile	Peru	Mexico
Internal Rate of Return, IRR, at Debt:Total Initial C										
Before Tax IRR, Total Invested Capital Basis	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.3%	18.4%	18.4%
After Tax IRR, Total Invested Capital Basis	12.7%	14.4%	15.3%	13.7%	14.4%	12.4%	9.0%	12.9%	13.4%	16.1%
Effective Total Royalty + Tax Rate										
By impact on Internal Rate of Return	31.1%	21.4%	16.7%	25.4%	21.4%	32.8%	50.9%	29.2%	27.1%	12.6%
By NPV royalty / NPV net cash flow before royalty an	38.8%	11.6%	0.9%	13.7%	11.0%	43.4%	43.5%	8.1%	13.0%	0.0%
By NPV royalty + taxes / NPV net cash flow before r	73.6%	54.2%	43.6%	62.0%	53.1%	76.4%	108.4%	71.1%	63.3%	35.7%
Total Project Investment Summary: Nominal Doll										
Capital Investment										
Life-of-Mine Total										
Initial Development to Production										
Mine Revenue (Net Smelter Return)										
Federal Income Tax	759,745,604	917,225,303	917,306,137	772,661,378	889,510,496	760,610,735	1,498,492,617	1,352,930,899	955,305,359	829,548,571
Terr/Prov Income Tax	0	0	0	0	0	0	0	0	0	0
Terr/Prov Capital Tax	0	0	0	244,830,432	0	0	0	0	0	0
Mining Tax or Royalty	759,064,710	234,441,733	15,766,063	275,460,824	210,729,140	788,303,152	788,303,152	167,794,589	236,490,946	0
Net Cash Flow To Mine Project	1,854,810,620	2,222,263,252	2,440,858,087	2,080,977,654	2,273,690,651	1,824,843,907	1,084,994,496	1,841,150,527	2,182,133,983	2,544,381,714
Total Taxes	1,518,810,314	1,151,667,036	933,072,200	1,292,952,634	1,100,239,636	1,548,913,887	2,286,795,770	1,520,725,488	1,191,796,305	829,548,571
Total Project Investment Summary: discounted P										
Capital Investment										
Life-of-Mine Total										
Initial Development to Production										
Mine Revenue (Net Smelter Return)										
Federal Income Tax	235,432,211	288,395,976	289,152,147	249,164,621	285,515,927	223,476,455	439,453,913	422,014,018	340,634,009	241,512,324
Terr/Prov Income Tax	0	0	0	0	0	0	0	0	0	0
Terr/Prov Capital Tax	0	0	0	78,127,504	0	0	0	0	0	0
Mining Tax or Royalty	262,560,329	78,323,299	5,876,764	92,738,582	74,221,403	293,838,199	293,838,199	54,167,454	88,151,460	0
Net Cash Flow To Mine Project	179,001,937	310,406,399	382,096,764	257,094,968	317,388,344	159,737,866	(57,074,016)	193,275,018	248,340,206	435,613,344
Total Taxes	497,992,541	366,719,275	295,028,911	420,030,707	359,737,330	517,314,654	733,292,112	476,181,472	428,785,468	241,512,324
Royalty as proportion of net profit before royalty										
Nominal Dollars	22.5%	6.9%	0.5%	8.2%	6.2%	23.4%	23.4%	5.0%	7.0%	0.0%
Net Present Value	38.8%	11.6%	0.9%	13.7%	11.0%	43.4%	43.5%	8.1%	13.0%	0.0%
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Tax + Royalty as proportion of net profit bef										
Nominal Dollars	45.0%	34.1%	27.7%	38.3%	32.6%	45.9%	67.8%	45.2%	35.3%	24.6%
Net Present Value	73.6%	54.2%	43.6%	62.0%	53.1%	76.4%	108.4%	71.1%	63.3%	35.7%

Mine Tax
Larger Scale Diamond Mine Mine Model
10% IRR (NWT), After Tax Profitability Model
 Current tax and royalty rates, including legislated future changes
Summary of Cash Flow and Tax

	CMR royalty		Canadian Comparisons									
	Northwest Territories	Nunavut	British Columbia	Alberta	Saskatchewan	Manitoba	Ontario	Quebec	New Brunswick	Nova Scotia	Newfoundland & Labrador	Yukon
Internal Rate of Return, IRR, at Debt:Total Initial Capital Investment = 50%												
Before Tax IRR, Total Invested Capital Basis	12.4%	12.4%	12.4%	12.4%	12.4%	12.4%	12.4%	12.4%	12.4%	12.4%	12.4%	12.4%
After Tax IRR, Total Invested Capital Basis	10.0%	10.0%	10.3%	10.3%	9.4%	9.7%	10.2%	9.9%	9.3%	9.5%	9.4%	9.3%
Effective Total Royalty + Tax Rate												
By impact on Internal Rate of Return	19.5%	19.9%	16.9%	16.9%	24.1%	22.2%	17.8%	20.5%	24.7%	23.6%	24.2%	24.9%
By NPV royalty / NPV net cash flow before royalty and taxes	30.6%	30.6%	24.2%	29.9%	13.3%	29.0%	25.5%	36.6%	58.0%	49.4%	46.7%	44.9%
By NPV royalty + taxes / NPV net cash flow before taxes	100.0%	101.7%	87.8%	87.9%	120.7%	111.7%	91.8%	104.3%	123.9%	119.0%	121.7%	124.1%
Total Project Investment Summary: Nominal Dollars (Of-the-Year)												
Capital Investment												
Life-of-Mine Total	1,762,204,311											
Initial Development to Production	1,226,227,500											
Mine Revenue (Net Smelter Return)	9,204,160,845											
Federal Income Tax	222,646,942	222,646,942	232,354,167	225,290,368	237,724,433	229,641,954	227,711,800	219,554,748	144,860,210	155,969,938	158,947,777	218,644,787
Terr/Prov Income Tax	223,992,992	233,731,817	0	0	0	0	0	0	0	0	0	0
Terr/Prov Capital Tax	0	0	214,430,359	187,673,511	249,152,364	261,259,404	175,260,917	218,762,799	225,586,386	234,606,071	276,330,867	288,348,174
Mining Tax or Royalty	215,597,171	215,597,171	150,368,199	197,692,200	114,869,570	206,363,725	181,827,765	235,363,087	364,852,500	289,692,514	270,994,319	241,041,158
Net Cash Flow To Mine Project	1,375,342,469	1,365,603,643	1,440,426,849	1,426,923,496	1,323,695,798	1,318,983,133	1,450,712,040	1,342,130,578	1,296,478,792	1,348,014,180	1,330,554,701	1,289,545,455
Total Taxes	662,237,105	671,975,931	597,152,725	610,656,078	713,575,125	718,557,755	586,840,269	694,727,620	740,301,692	688,770,366	706,272,964	748,034,119
Total Project Investment Summary: discounted Present Value, at 10% Discount Rate												
Capital Investment												
Life-of-Mine Total	1,214,265,284											
Initial Development to Production	1,006,927,122											
Mine Revenue (Net Smelter Return)	2,801,276,242											
Federal Income Tax	53,914,433	53,914,433	56,389,674	54,502,608	58,347,916	56,350,712	55,236,185	52,600,431	30,675,238	33,373,004	33,918,527	51,902,995
Terr/Prov Income Tax	70,363,958	73,423,261	0	0	0	0	0	0	0	0	0	0
Terr/Prov Capital Tax	0	0	57,450,617	49,345,515	79,247,163	83,017,515	62,353,944	57,147,246	83,228,497	85,336,433	100,127,176	89,797,101
Mining Tax or Royalty	54,725,607	54,725,607	43,355,092	53,569,590	24,158,352	51,861,812	45,689,040	65,348,398	103,514,972	88,139,131	83,473,575	80,405,108
Net Cash Flow To Mine Project	0	(3,059,302)	21,808,616	21,586,287	(37,080,542)	(20,943,534)	14,612,119	(7,737,200)	(42,618,279)	(33,969,492)	(38,834,162)	(43,101,205)
Total Taxes	179,003,998	182,063,301	157,195,383	157,417,712	215,953,642	199,931,127	164,380,316	186,270,309	221,153,841	212,509,025	217,519,277	222,105,204
Royalty as proportion of net profit before royalty and tax												
Nominal Dollars	10.6%	10.6%	7.4%	9.7%	5.6%	10.1%	8.9%	11.6%	17.9%	14.2%	13.3%	11.8%
Net Present Value	30.6%	30.6%	24.2%	29.9%	13.5%	29.0%	25.5%	36.6%	58.0%	49.4%	46.7%	44.9%
Total Tax + Royalty as proportion of net profit before royalty and tax												
Nominal Dollars	32.5%	33.0%	29.3%	30.0%	35.0%	35.3%	28.8%	34.1%	36.3%	33.8%	34.7%	36.7%
Net Present Value	100.0%	101.7%	87.8%	87.9%	120.7%	111.7%	91.8%	104.3%	123.9%	119.0%	121.7%	124.1%

MineTax
Larger Scale Diamond Mine
10%IRR (NWT), After Tax
 Current tax and royalty rates, including legis
Summary of Cash Flow and Tax

	International Comparisons									
	Western Australia	South Australia	Sweden	USA, Alaska	USA, Nevada	South Africa	Namibia	Chile	Peru	Mexico
Internal Rate of Return, IRR, at Debt:Total Initial C										
Before Tax IRR, Total Invested Capital Basis	12.4%	12.4%	12.4%	12.4%	12.4%	12.4%	12.4%	12.3%	12.4%	12.4%
After Tax IRR, Total Invested Capital Basis	8.0%	9.4%	10.3%	9.0%	9.5%	7.3%	5.1%	8.7%	8.6%	10.8%
Effective Total Royalty + Tax Rate										
By impact on Internal Rate of Return	35.5%	24.1%	17.5%	27.4%	23.6%	41.5%	59.0%	29.2%	30.4%	13.4%
By NPV royalty / NPV net cash flow before royalt	104.8%	36.5%	2.7%	32.4%	29.1%	136.7%	136.7%	17.4%	41.2%	0.0%
By NPV royalty + taxes / NPV net cash flow before r	171.0%	121.1%	90.6%	135.4%	119.0%	196.3%	253.0%	146.5%	151.9%	71.5%
Total Project Investment Summary: Nominal Doll										
Capital Investment										
Life-of-Mine Total										
Initial Development to Production										
Mine Revenue (Net Smelter Return)										
Federal Income Tax	434,551,887	527,773,803	543,505,841	479,202,737	542,653,050	411,493,732	805,053,684	790,895,884	565,547,786	492,788,19
Terr/Prov Income Tax	0	0	0	0	0	0	0	0	0	0
Terr/Prov Capital Tax	0	0	0	145,040,740	0	0	0	0	0	0
Mining Tax or Royalty	506,130,193	194,698,599	13,093,362	167,215,659	147,784,146	654,668,081	654,668,081	100,977,053	196,400,424	0
Net Cash Flow To Mine Project	1,096,025,280	1,313,543,084	1,479,657,325	1,244,378,995	1,345,849,368	970,109,175	576,549,223	1,131,824,470	1,272,291,717	1,544,791,38
Total Taxes	940,682,080	722,472,401	556,599,202	791,459,136	690,437,195	1,066,161,813	1,459,721,765	891,872,937	761,948,213	492,788,19
Total Project Investment Summary: discounted P										
Capital Investment										
Life-of-Mine Total										
Initial Development to Production										
Mine Revenue (Net Smelter Return)										
Federal Income Tax	118,273,359	150,839,563	156,876,045	141,429,107	160,405,226	106,196,327	207,483,440	220,078,913	196,516,710	127,964,50
Terr/Prov Income Tax	0	0	0	0	0	0	0	0	0	0
Terr/Prov Capital Tax	0	0	0	42,247,251	0	0	0	0	0	0
Mining Tax or Royalty	187,244,577	65,045,742	4,880,521	57,739,855	51,960,317	244,026,032	244,026,032	29,762,643	73,207,809	0
Net Cash Flow To Mine Project	(126,883,840)	(37,544,632)	16,686,333	(63,150,756)	(33,909,907)	(171,773,328)	(273,060,441)	(79,281,947)	(92,167,244)	51,039,498
Total Taxes	305,517,935	215,885,305	161,756,565	241,416,213	212,365,543	350,222,359	451,509,472	249,841,566	269,724,519	127,964,50
Royalty as proportion of net profit before royalty										
Nominal Dollars	24.9%	9.6%	0.6%	8.2%	7.3%	32.2%	32.2%	5.0%	9.7%	0.0%
Net Present Value	104.8%	36.5%	2.7%	32.4%	29.1%	136.7%	136.7%	17.4%	41.2%	0.0%
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Tax + Royalty as proportion of net profit bef										
Nominal Dollars	46.2%	35.5%	27.3%	38.9%	33.9%	52.4%	71.7%	44.1%	37.5%	24.2%
Net Present Value	171.0%	121.1%	90.6%	135.4%	119.0%	196.3%	253.0%	146.5%	151.9%	71.5%

Appendix 5a – Analysis Results: Medium Scale Base Metal Mine at 20% IRR

Mining Royalty and Tax Competitiveness Review

Summary Analysis Results: Medium Scale Base Metal Mine, 20%IRR (NWT), After Tax

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Mine Tax
Medium Scale Base Metal Mine Mine Model
20%IRR (NWT), After Tax Profitability Model
 Current tax and royalty rates, including legislated future changes

Additional Graphs: Comparative Results and Annual Results -- Canadian Comparisons

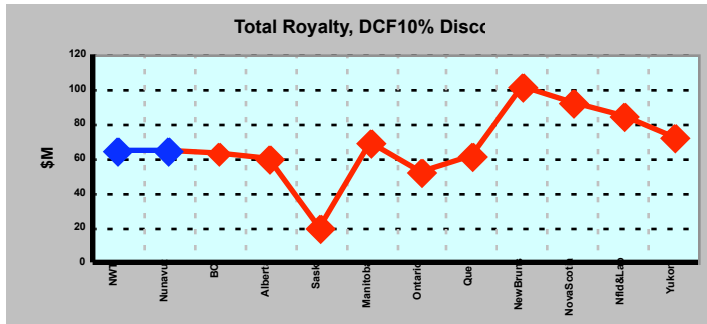
	CMR royalty		Canadian Comparisons									
	Northwest Territories	Nunavut	British Columbia	Alberta	Saskatchewan	Manitoba	Ontario	Quebec	New Brunswick	Nova Scotia	Newfoundland & Labrador	Yukon
Internal Rate of Return, IRR, at Debt:Total Initial Capital Investment = 50%												
Before Tax IRR, Total Invested Capital Basis	24.3%	24.3%	24.3%	24.3%	24.3%	24.3%	24.3%	24.3%	24.3%	24.3%	24.3%	24.3%
After Tax IRR, Total Invested Capital Basis	20.0%	19.9%	20.2%	20.4%	18.9%	19.4%	20.3%	20.1%	19.2%	19.0%	19.2%	19.2%
Effective Total Royalty + Tax Rate												
By impact on Internal Rate of Return	17.7%	17.9%	16.8%	16.2%	22.1%	20.1%	16.4%	17.4%	21.0%	21.6%	20.9%	21.2%
By NPV royalty / NPV net cash flow before royalty and taxes	13.8%	13.8%	13.5%	12.8%	4.3%	14.7%	11.0%	13.1%	21.6%	19.7%	17.9%	15.3%
By NPV royalty + taxes / NPV net cash flow before r	42.4%	43.0%	41.3%	39.6%	47.2%	46.7%	38.8%	42.8%	47.9%	46.9%	47.3%	47.5%
Total Project Investment Summary: Nominal Dollars (Of-the-Year)												
Capital Investment												
Life-of-Mine Total	503,580,508											
Initial Development to Production	403,408,535											
Mine Revenue (Net Smelter Return)	9,038,408,024											
Federal Income Tax	247,677,889	247,677,889	247,320,266	250,729,008	266,618,368	246,972,040	254,957,488	248,168,956	205,887,800	212,897,914	215,691,336	247,208,677
Terr/Prov Income Tax	194,784,629	203,253,526	184,875,649	170,317,020	219,063,144	219,993,095	166,553,892	200,716,499	194,433,894	200,144,649	235,977,582	253,968,601
Terr/Prov Capital Tax	0	0	0	0	110,696,424	16,459,541	2,545,569	10,007,955	1,760,174	3,161,107	0	0
Mining Tax or Royalty	218,358,543	218,358,543	220,406,268	197,923,785	92,751,649	235,579,228	169,052,798	210,519,188	335,852,843	282,443,671	270,756,032	219,013,920
Net Cash Flow To Mine Project	1,223,322,967	1,214,854,071	1,231,541,846	1,265,174,215	1,194,913,440	1,165,043,353	1,290,974,352	1,215,440,501	1,151,851,266	1,185,319,090	1,167,535,923	1,163,952,831
Total Taxes	660,821,061	669,289,958	652,602,183	618,969,813	689,129,584	719,003,905	593,109,748	669,412,598	737,934,710	698,647,341	722,424,950	720,191,198
Total Project Investment Summary: discounted Present Value, at 10% Real Discount Rate												
Capital Investment												
Life-of-Mine Total	367,749,306											
Initial Development to Production	329,751,216											
Mine Revenue (Net Smelter Return)	2,693,047,616											
Federal Income Tax	74,109,095	74,109,095	74,481,757	74,969,613	80,832,872	74,372,751	76,047,857	74,065,571	58,652,118	60,203,588	61,369,992	73,399,536
Terr/Prov Income Tax	60,345,143	62,968,845	56,256,208	51,455,934	68,816,616	68,745,753	52,831,020	60,548,112	64,433,837	65,691,315	77,707,598	78,174,528
Terr/Prov Capital Tax	0	0	0	0	52,074,807	7,245,931	1,536,055	4,901,631	1,294,020	2,072,562	0	0
Mining Tax or Royalty	65,049,398	65,049,398	63,344,435	59,958,382	20,341,833	69,096,562	51,827,718	61,794,358	102,176,432	92,451,479	84,412,102	71,745,402
Net Cash Flow To Mine Project	270,620,040	267,996,338	276,041,275	283,739,746	247,992,056	250,600,115	287,842,078	269,287,377	246,169,062	249,588,950	249,349,713	246,804,209
Total Taxes	199,503,636	202,127,338	194,082,401	186,383,930	222,066,128	219,460,998	182,242,651	201,309,672	226,556,407	220,418,944	223,489,692	223,319,467
Royalty as proportion of net profit before royalty and tax												
Nominal Dollars	11.6%	11.6%	11.7%	10.5%	4.9%	12.5%	9.0%	11.2%	17.8%	15.0%	14.3%	11.6%
Net Present Value	13.8%	13.8%	13.5%	12.8%	4.3%	14.7%	11.0%	13.1%	21.6%	19.7%	17.9%	15.3%
Total Tax + Royalty as proportion of net profit before royalty and tax												
Nominal Dollars	35.1%	35.5%	34.6%	32.9%	36.6%	38.2%	31.5%	35.5%	39.0%	37.1%	38.2%	38.2%
Net Present Value	42.4%	43.0%	41.3%	39.6%	47.2%	46.7%	38.8%	42.8%	47.9%	46.9%	47.3%	47.5%

Mine Tax
Medium Scale Base Metal Mine
20%IRR (NWT), After Tax
 Current tax and royalty rates, including legis
Additional Graphs: Comparative Results

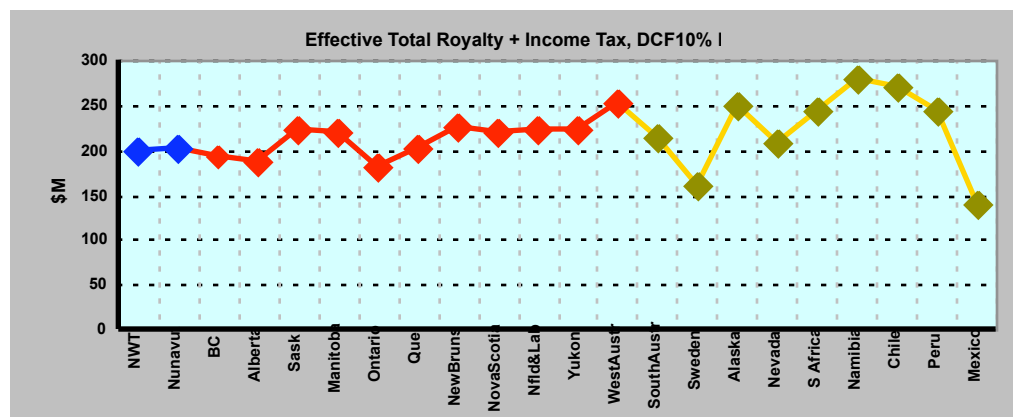
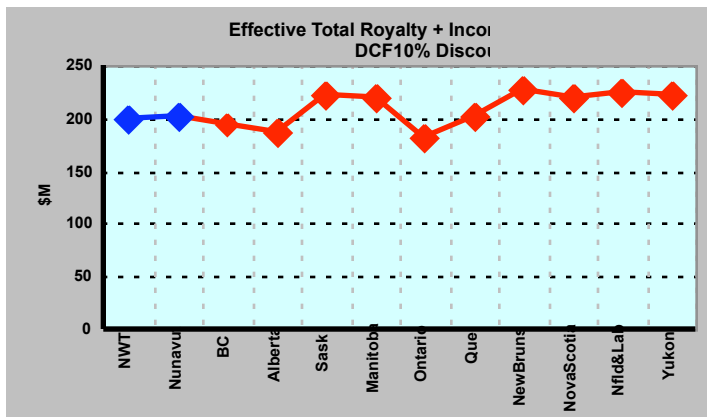
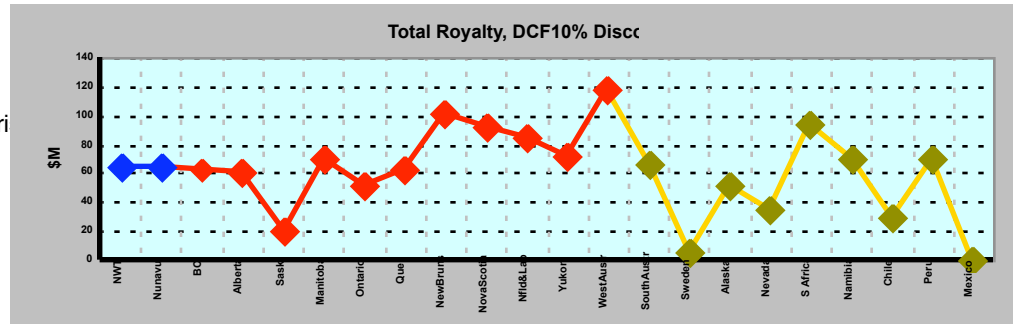
International Comparisons										
	Western Australia	South Australia	Sweden	USA, Alaska	USA, Nevada	South Africa	Namibia	Chile	Peru	Mexico
Internal Rate of Return, IRR, at Debt:Total Initial C										
Before Tax IRR, Total Invested Capital Basis	24.3%	24.3%	24.3%	24.4%	24.4%	24.3%	24.3%	24.2%	24.3%	24.3%
After Tax IRR, Total Invested Capital Basis	18.0%	19.4%	20.9%	18.1%	19.3%	18.2%	17.3%	17.6%	17.8%	21.6%
Effective Total Royalty + Tax Rate										
By impact on Internal Rate of Return	25.9%	20.1%	14.0%	25.7%	20.8%	24.9%	28.9%	27.2%	26.6%	11.3%
By NPV royalty / NPV net cash flow before royalty at	24.9%	13.9%	1.0%	11.0%	7.4%	19.9%	14.9%	6.4%	14.9%	0.0%
By NPV royalty + taxes / NPV net cash flow before ri	53.8%	45.8%	34.3%	52.6%	43.7%	51.5%	59.4%	58.0%	52.1%	29.4%
Total Project Investment Summary: Nominal Doll										
Capital Investment										
Life-of-Mine Total										
Initial Development to Production										
Mine Revenue (Net Smelter Return)										
Federal Income Tax	457,146,452	494,407,821	513,220,545	445,264,065	516,536,663	475,189,425	665,664,833	770,350,869	513,879,472	465,142,835
Terr/Prov Income Tax	0	0	0	142,069,841	0	0	0	0	0	0
Terr/Prov Capital Tax	0	0	0	0	0	0	0	0	0	0
Mining Tax or Royalty	321,859,975	197,778,848	12,874,399	159,339,737	104,611,195	257,487,980	193,115,985	93,874,143	193,115,985	0
Net Cash Flow To Mine Project	1,105,014,165	1,191,957,360	1,358,049,084	1,140,715,447	1,266,241,232	1,151,466,623	1,025,363,210	1,016,046,705	1,177,002,659	1,419,001,188
Total Taxes	779,006,426	692,186,669	526,094,944	746,673,644	621,147,858	732,677,405	858,780,818	864,225,012	706,995,457	465,142,835
Total Project Investment Summary: discounted P										
Capital Investment										
Life-of-Mine Total										
Initial Development to Production										
Mine Revenue (Net Smelter Return)										
Federal Income Tax	136,064,170	149,779,616	156,389,337	149,154,964	171,786,357	148,595,837	208,984,396	241,108,263	174,745,603	138,294,988
Terr/Prov Income Tax	0	0	0	47,129,061	0	0	0	0	0	0
Terr/Prov Capital Tax	0	0	0	0	0	0	0	0	0	0
Mining Tax or Royalty	116,983,806	65,451,226	4,679,352	51,950,712	34,756,731	93,587,045	70,190,283	30,043,170	70,190,283	0
Net Cash Flow To Mine Project	217,014,304	254,892,833	309,054,987	224,087,775	265,779,425	227,940,794	190,948,997	196,509,996	225,115,213	331,828,688
Total Taxes	253,047,975	215,230,843	161,068,689	248,234,737	206,543,087	242,182,882	279,174,679	271,151,433	244,935,886	138,294,988
Royalty as proportion of net profit before royalty										
Nominal Dollars	17.1%	10.5%	0.7%	8.4%	5.5%	13.7%	10.2%	5.0%	10.3%	0.0%
Net Present Value	24.9%	13.9%	1.0%	11.0%	7.4%	19.9%	14.9%	6.4%	14.9%	0.0%
Total Tax + Royalty as proportion of net profit bet										
Nominal Dollars	41.3%	36.7%	27.9%	39.6%	32.9%	38.9%	45.6%	46.0%	37.5%	24.7%
Net Present Value	53.8%	45.8%	34.3%	52.6%	43.7%	51.5%	59.4%	58.0%	52.1%	29.4%

MineTax

Medium Scale Base Metal Mine, 20%IRR (NWT), After Tax
Comparative Results Graphs

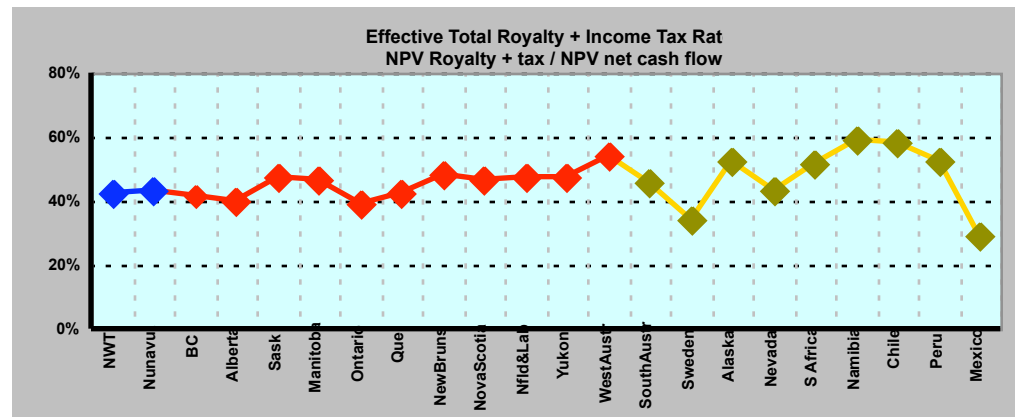
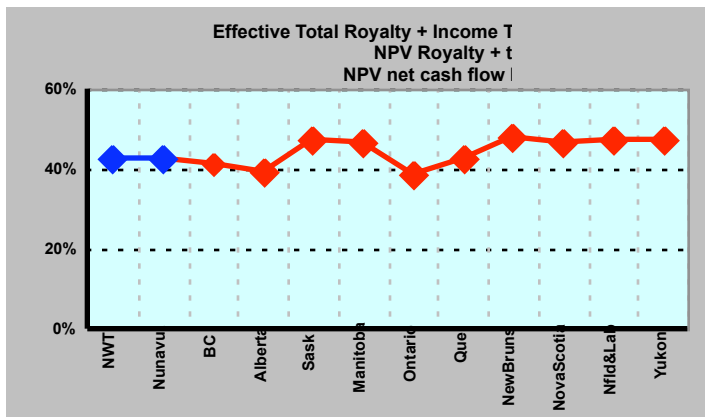
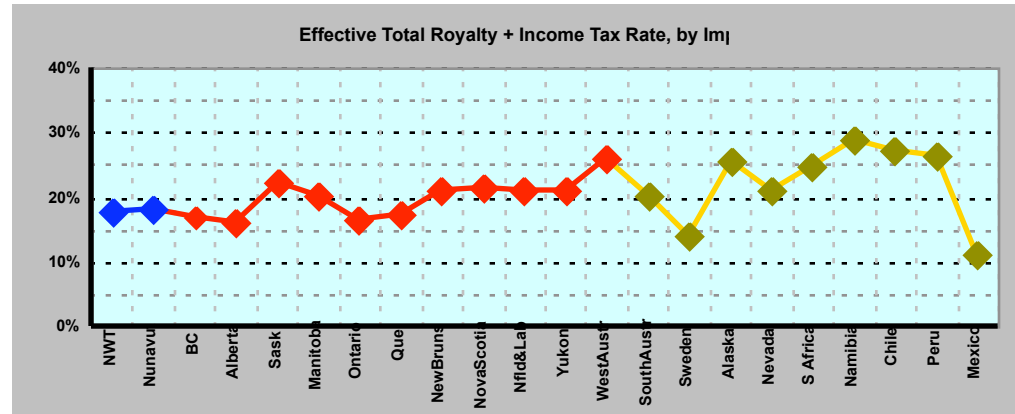
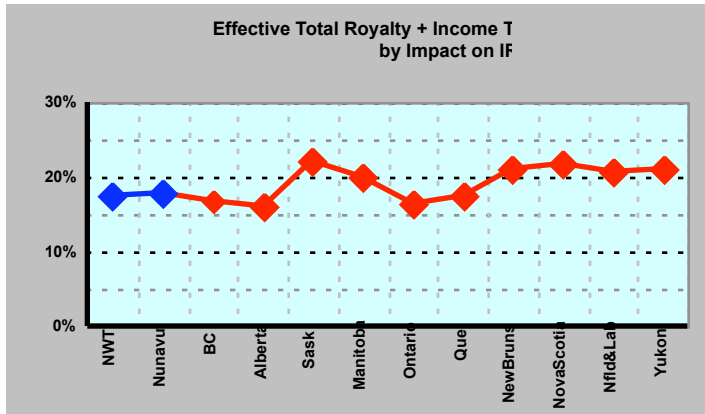


Canadian Compari



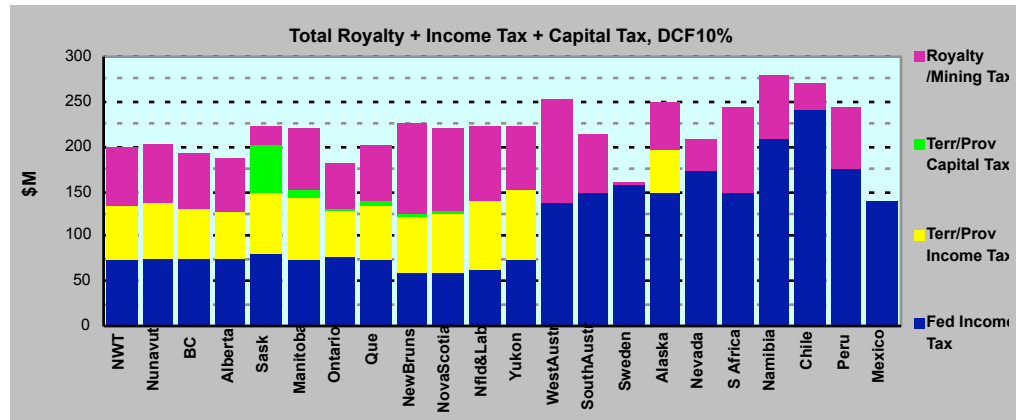
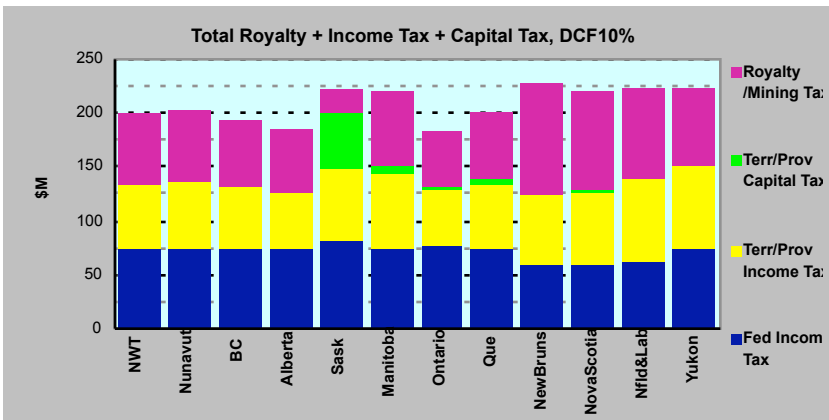
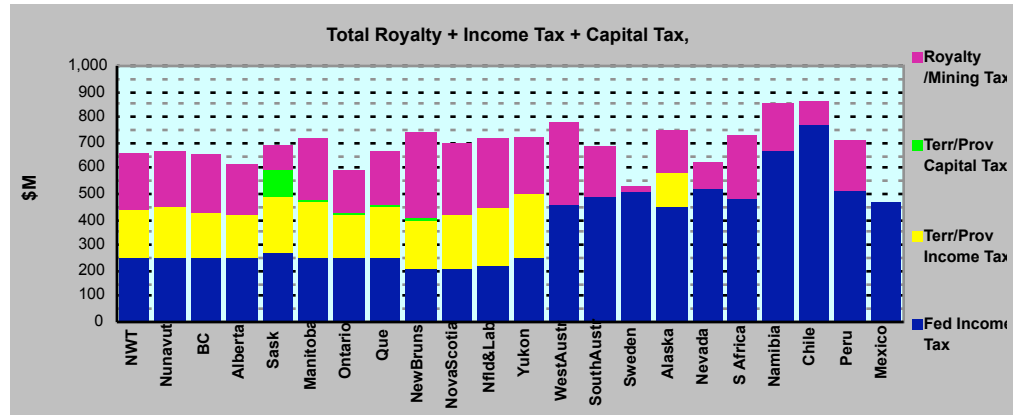
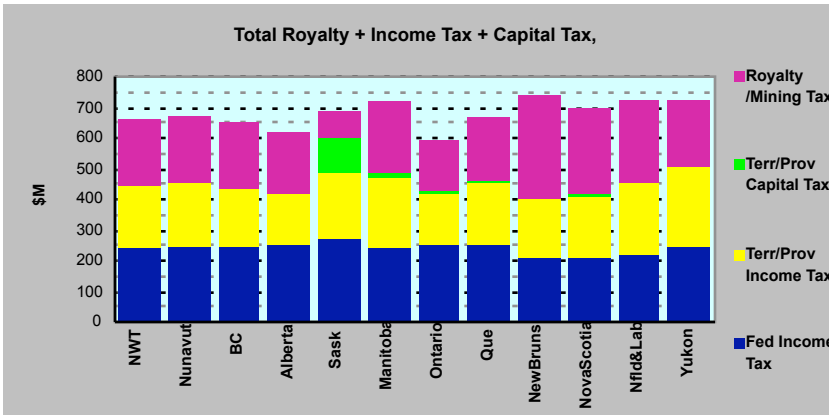
MineTax

Medium Scale Base Metal Mine, 20%IRR (NWT), After Tax
Comparative Results Graphs



MineTax

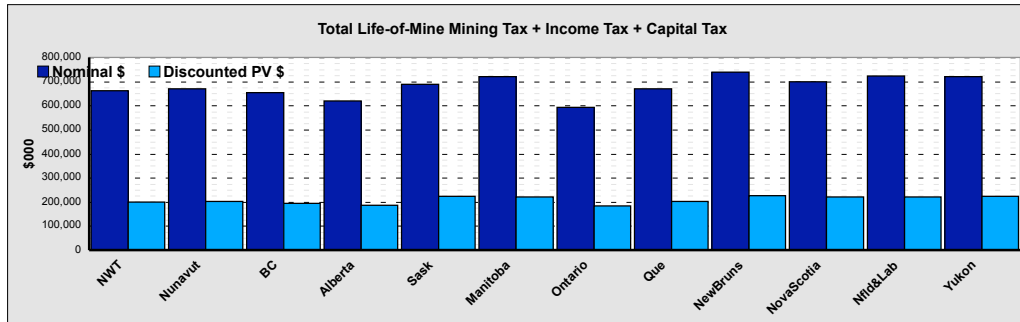
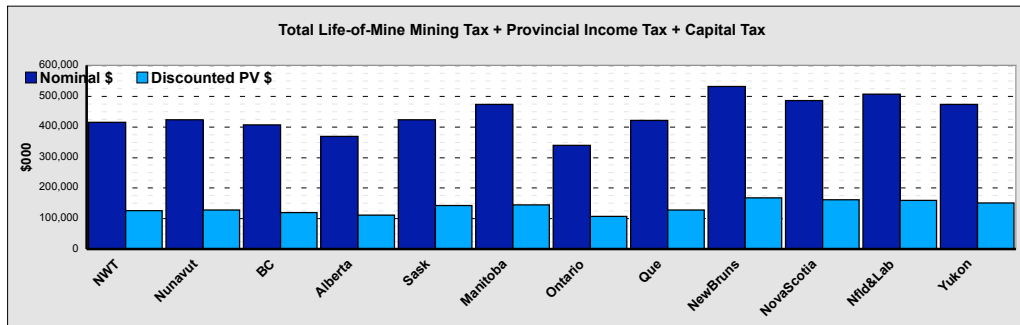
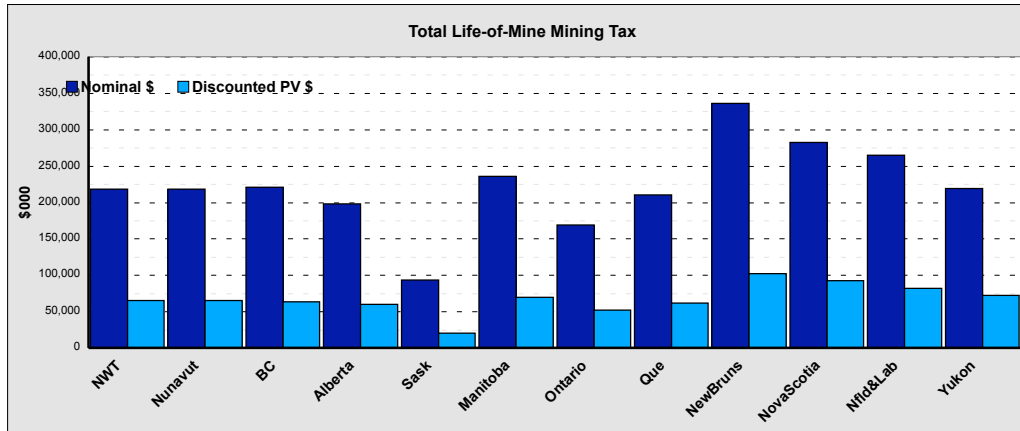
Medium Scale Base Metal Mine, 20%IRR (NWT), After Tax
Comparative Results Graphs



MineTax

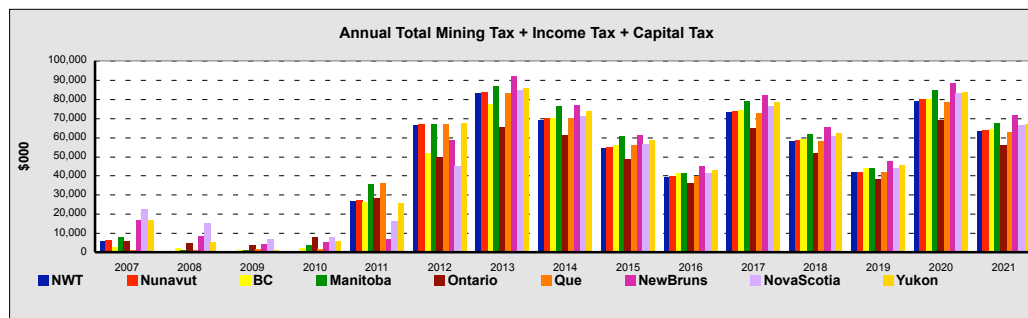
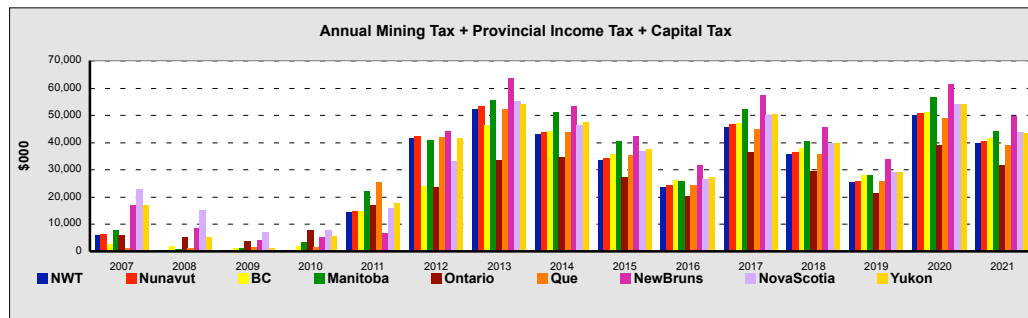
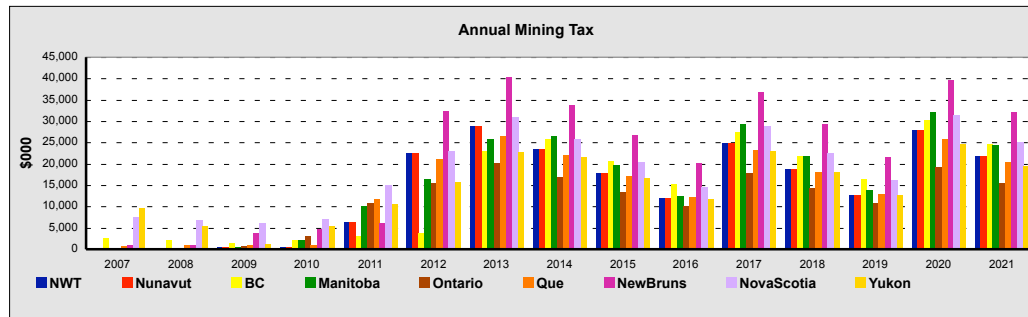
Medium Scale Base Metal Mine, 20%IRR (NWT), After Tax

Additional Graphs: Comparative Results and Annual Results -- Canadian Comparisons

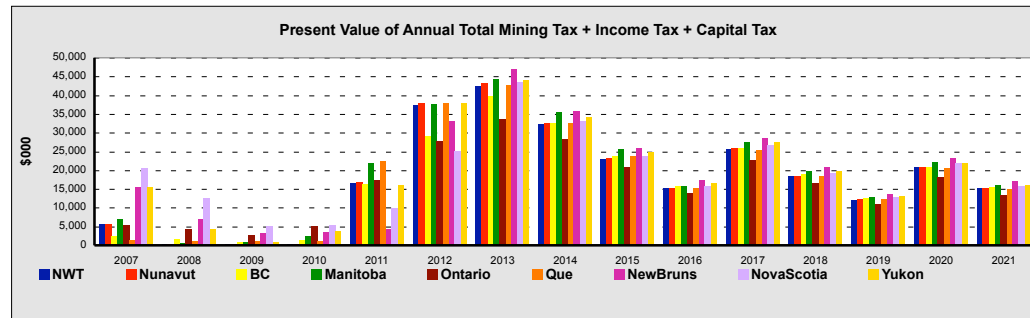
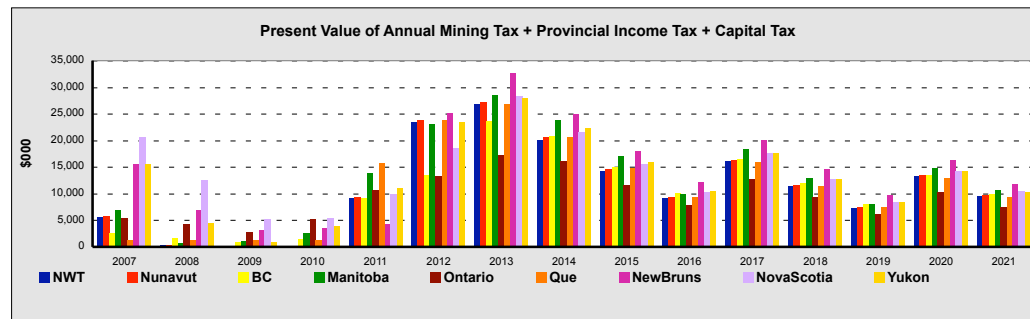
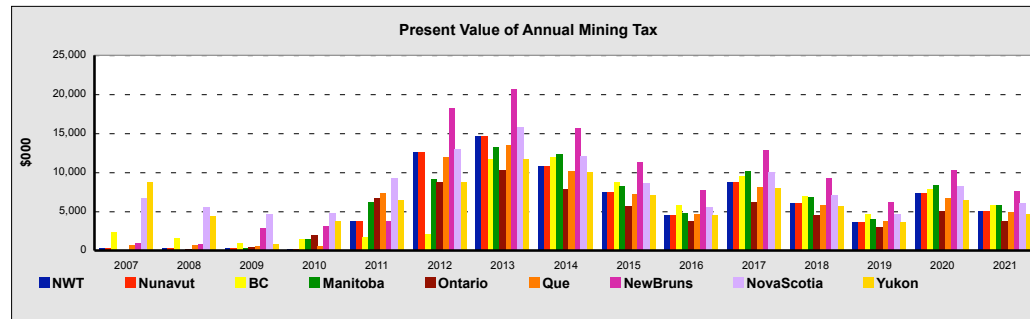


MineTax

Medium Scale Base Metal Mine, 20%IRR (NWT), After Tax



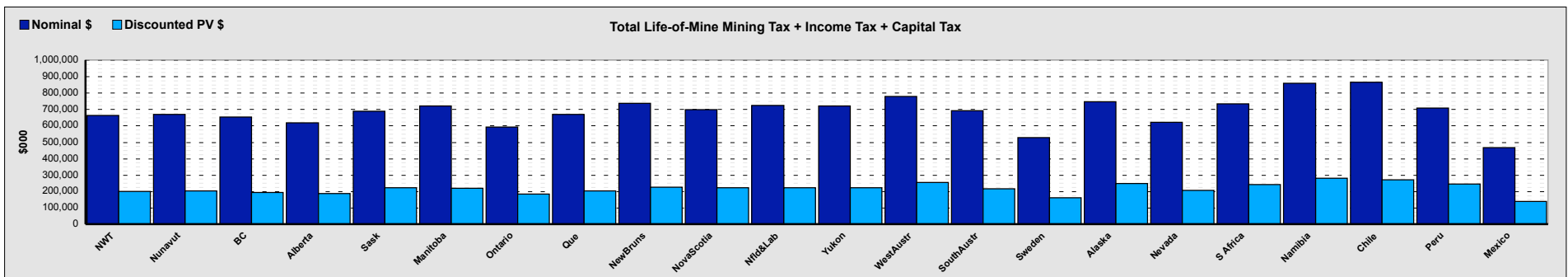
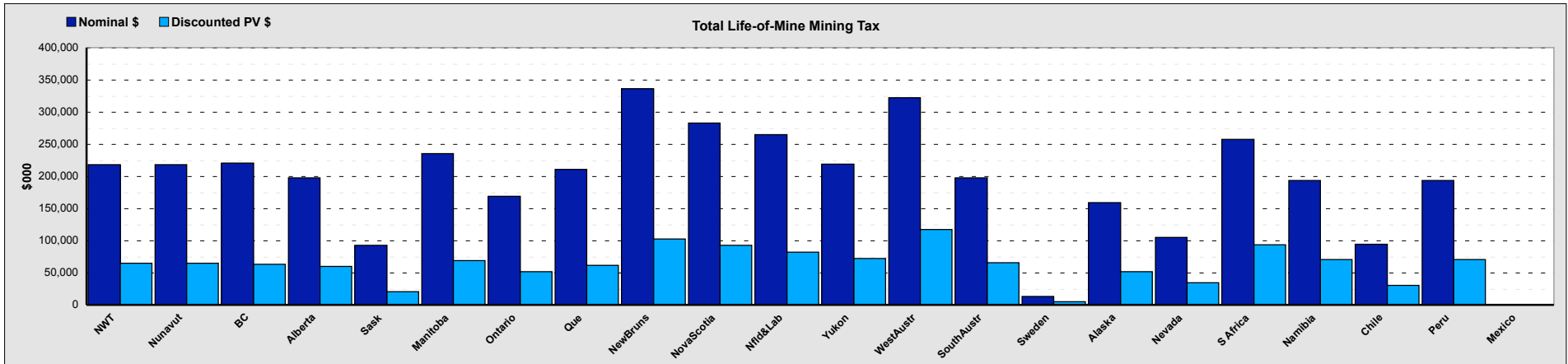
MineTax
 Medium Scale Base Metal Mine, 20%IRR (NWT), After Tax



MineTax

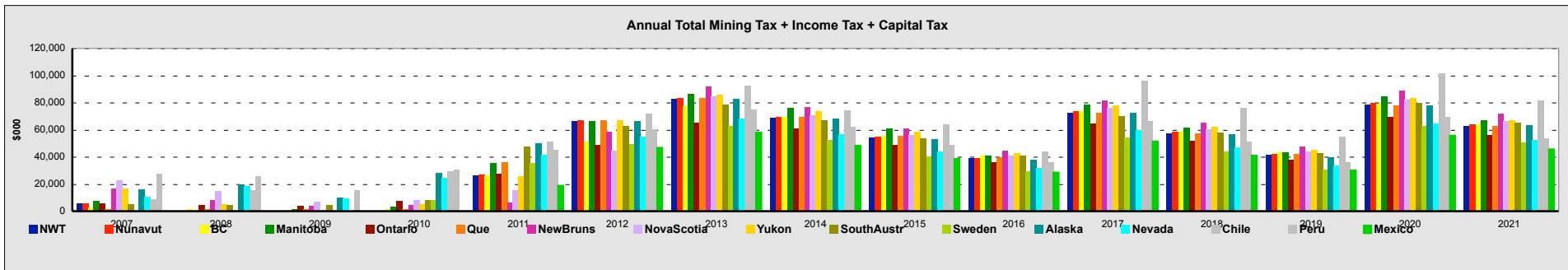
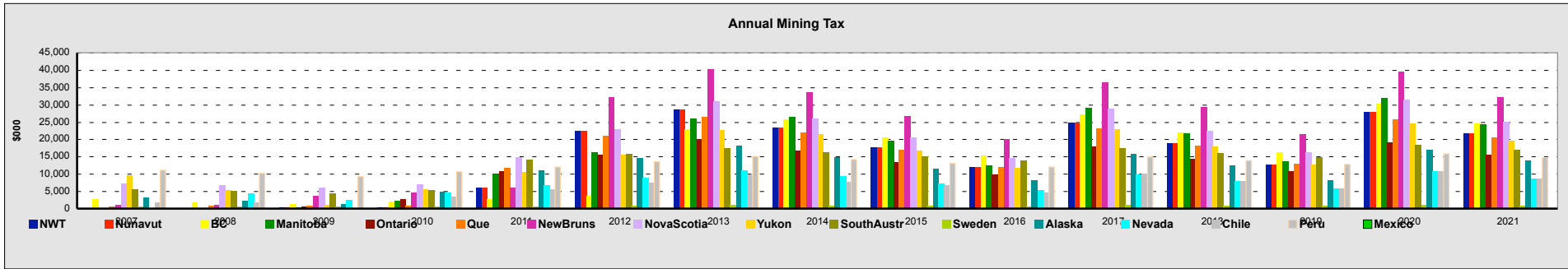
Medium Scale Base Metal Mine, 20%IRR (NWT), After Tax

Additional Graphs: Comparative Results and Annual Results -- International Comparisons

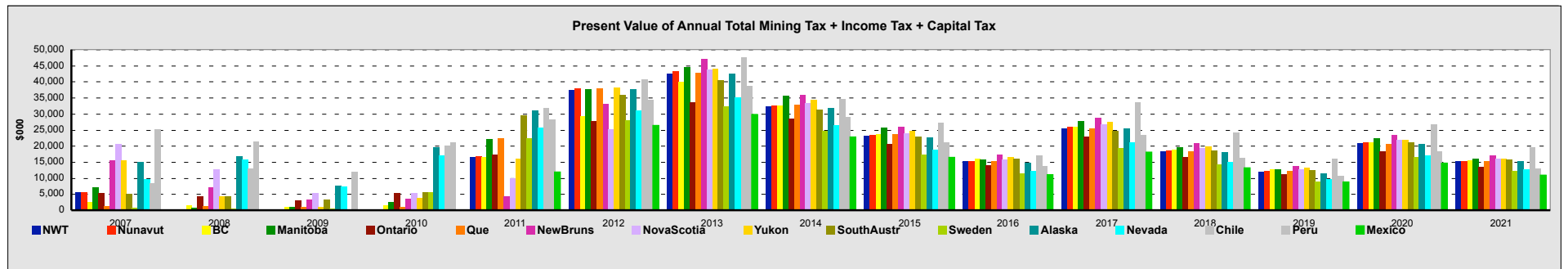
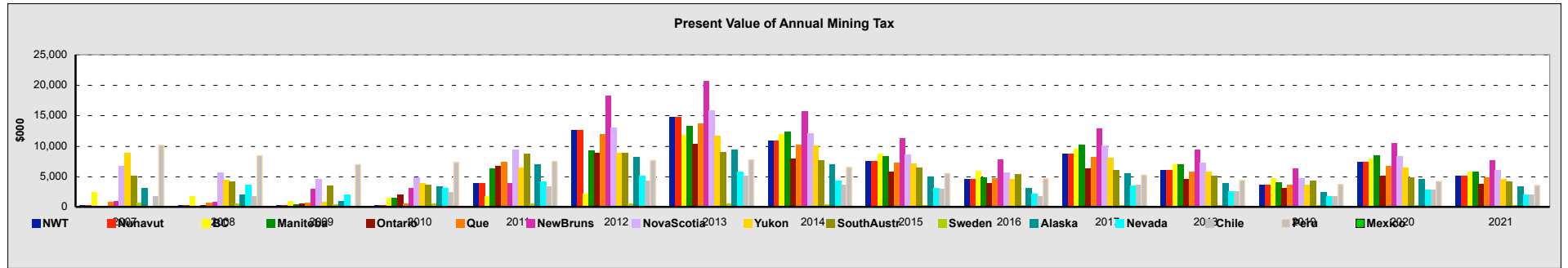


MineTax

Medium Scale Base Metal Mine, 20%IRR (NWT), After Tax



MineTax
Medium Scale Base Metal Mine, 20%IRR (NWT), After Tax



MineTax	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total	
Medium Scale Base Metal Mine, 20%IRR (NWT), After Tax																				
Production Schedule, Capital Investment & Determination of Net Operating Revenue																				
Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total	
Production Schedule																				
Daily mine production (t/d)																				
Additional Graphs: Comparative Results and Annual Results – Canadian Comparisons																				
Annual mine production (tonnes)				5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	75,000	
Unit Operating Costs (\$/t ore milled)																				
Mining operations																				
Mining				14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	
Other operating																				
Total mining operations				14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	
Milling operations																				
Milling				28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	
Power																				
Other operating																				
Total milling operations				28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	
Private royalty (% NSR)				1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	
Total operating				43.00	43.00	43.00	43.00	43.00	43.00	43.00	43.00	43.00	43.00	43.00	43.00	43.00	43.00	43.00	43.00	
Revenue and Cost Schedule in \$ Constant (2004)																				
Revenue																				
Value of product sold																				
Mineral/Metal1				349,970,500	314,973,450	279,976,400	314,973,450	349,970,500	384,967,550	419,964,600	384,967,550	349,970,500	314,973,450	384,967,550	349,970,500	314,973,450	384,967,550	349,970,500	6,999,411	
Gross sales				349,970,500	314,973,450	279,976,400	314,973,450	349,970,500	384,967,550	419,964,600	384,967,550	349,970,500	314,973,450	384,967,550	349,970,500	314,973,450	384,967,550	349,970,500	6,999,411	
Post-site costs																				
Transportation																				
Other post-site costs																				
Cutting & polishing charges																				
Marketing costs																				
Total post-site costs				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Mine Revenue				349,970,500	314,973,450	279,976,400	314,973,450	349,970,500	384,967,550	419,964,600	384,967,550	349,970,500	314,973,450	384,967,550	349,970,500	314,973,450	384,967,550	349,970,500	6,999,411	
Operating Costs																				
Mining Operations				73,100,000	73,100,000	73,100,000	73,100,000	73,100,000	73,100,000	73,100,000	73,100,000	73,100,000	73,100,000	73,100,000	73,100,000	73,100,000	73,100,000	73,100,000	1,096,500	
Milling Operations				141,900,000	141,900,000	141,900,000	141,900,000	141,900,000	141,900,000	141,900,000	141,900,000	141,900,000	141,900,000	141,900,000	141,900,000	141,900,000	141,900,000	141,900,000	2,128,500	
Private Royalty				3,499,705	3,149,735	2,799,764	3,149,735	3,499,705	3,849,676	4,199,646	3,849,676	3,499,705	3,149,735	3,849,676	3,499,705	3,149,735	3,849,676	3,499,705	69,994	
Total operating				218,499,705	218,149,735	217,799,764	218,149,735	218,499,705	218,849,676	219,199,646	218,849,676	218,499,705	218,149,735	218,849,676	218,499,705	218,149,735	218,849,676	218,499,705	3,294,999	
Net Operating Revenue				131,470,795	96,823,716	62,176,636	96,823,716	131,470,795	166,117,875	200,764,954	166,117,875	131,470,795	96,823,716	166,117,875	131,470,795	96,823,716	166,117,875	131,470,795	3,704,411	
Capital Costs																				
Property Acquisition																				
Exploration	12,500,000	12,500,000	12,500,000																37,500	
Preproduction Development	20,000,000	24,000,000	36,000,000																80,000	
Infrastructure	14,000,000	14,000,000	12,000,000				0	0					0	0					40,000	
Mining Plant and Equipment	40,000,000	20,000,000	20,000,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	0	111,200	
Milling Plant and Equipment	15,000,000	75,000,000	60,000,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	0	208,500	
Working Capital																				
Environmental Reserve																				
contribution																				
interest earned																				
withdrawal																				
balance in reserve																				
Total Capital	101,500,000	145,500,000	140,500,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	0	0	477,200

MineTax	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 20%IRR (NWT), After Tax																			
Production Schedule, Capital Investment & Determination of Net Operating Revenue																			
Revenue and Cost Schedule in \$ Nominal (Dollars-of-the-year)																			
Revenue																			
Value of product sold																			
Mineral/Metal1				371,391,494	340,937,392	309,116,569	354,711,262	402,006,097	451,050,841	501,896,573	469,273,295	435,144,328	399,462,493	497,996,575	461,778,642	423,912,794	528,477,950	490,043,190	6,999,411
Gross sales	0	0	0	371,391,494	340,937,392	309,116,569	354,711,262	402,006,097	451,050,841	501,896,573	469,273,295	435,144,328	399,462,493	497,996,575	461,778,642	423,912,794	528,477,950	490,043,190	9,038,401
Post-site costs																			
Transportation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other post-site costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Smelting & Refining	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Marketing costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total post-site costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Mine Revenue	0	0	0	371,391,494	340,937,392	309,116,569	354,711,262	402,006,097	451,050,841	501,896,573	469,273,295	435,144,328	399,462,493	497,996,575	461,778,642	423,912,794	528,477,950	490,043,190	9,038,401
Operating Costs																			
Mining Operations	0	0	0	77,574,305	79,125,791	80,708,307	82,322,473	83,968,922	85,648,301	87,361,267	89,108,492	90,890,662	92,708,475	94,562,645	96,453,898	98,382,976	100,350,635	102,357,648	1,341,521
Milling Operations	0	0	0	150,585,415	153,597,124	156,669,066	159,802,447	162,998,496	166,258,466	169,583,635	172,975,308	176,434,814	179,963,511	183,562,781	187,234,036	190,978,717	194,798,292	198,694,267	2,604,131
Private Royalty	0	0	0	3,713,915	3,409,374	3,091,166	3,547,113	4,020,061	4,510,508	5,018,969	4,692,733	4,351,443	3,994,625	4,979,966	4,617,786	4,239,128	5,294,779	4,900,432	90,394
Total operating	0	0	0	231,873,635	236,132,288	240,468,538	245,672,033	250,987,480	256,417,275	261,963,868	266,776,533	271,678,900	276,666,611	281,705,381	286,905,720	293,600,821	300,433,706	306,962,337	4,036,041
Net Operating Revenue	0	0	0	139,517,859	104,805,104	68,648,030	109,039,230	151,018,618	194,633,566	239,932,705	202,496,762	163,465,428	122,795,883	214,881,184	173,472,922	130,311,973	228,044,243	184,090,853	5,002,360
Capital Costs																			
Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Exploration	12,500,000	12,750,000	13,005,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
Preproduction Development	20,000,000	24,480,000	37,454,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
Infrastructure	14,000,000	14,280,000	12,484,800	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	40,764
Mining Plant and Equipment	40,000,000	20,400,000	20,808,000	2,546,899	2,597,837	2,649,794	2,702,790	2,756,846	2,811,983	2,868,222	2,925,587	2,984,098	3,043,780	3,104,656	3,166,749	3,230,084	0	0	118,597
Milling Plant and Equipment	15,000,000	76,500,000	62,424,000	4,775,436	4,870,945	4,968,364	5,067,731	5,169,086	5,272,467	5,377,917	5,485,475	5,595,184	5,707,088	5,821,230	5,937,654	6,056,408	0	0	224,028
Working Capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest earned	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Balance in reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Capital	101,500,000	148,410,000	146,176,200	7,322,335	7,468,782	7,618,158	7,770,521	7,925,931	8,084,450	8,246,139	8,411,061	8,579,283	8,750,868	8,925,886	9,104,403	9,286,492	0	0	503,580
Before Taxes and Financing Cash Flow																			
Total Mine Revenue	0	0	0	371,391,494	340,937,392	309,116,569	354,711,262	402,006,097	451,050,841	501,896,573	469,273,295	435,144,328	399,462,493	497,996,575	461,778,642	423,912,794	528,477,950	490,043,190	9,038,401
Operating Costs	0	0	0	(228,159,720)	(232,722,914)	(237,377,373)	(242,124,920)	(246,967,419)	(251,906,767)	(256,944,902)	(262,083,800)	(267,325,476)	(272,671,986)	(278,125,426)	(283,687,934)	(289,361,693)	(295,148,927)	(301,051,905)	(3,945,661)
Private Royalty	0	0	0	(3,713,915)	(3,409,374)	(3,091,166)	(3,547,113)	(4,020,061)	(4,510,508)	(5,018,969)	(4,692,733)	(4,351,443)	(3,994,625)	(4,979,966)	(4,617,786)	(4,239,128)	(5,294,779)	(4,900,432)	(90,394)
Cash Flow from Operations	0	0	0	139,517,859	104,805,104	68,648,030	109,039,230	151,018,618	194,633,566	239,932,705	202,496,762	163,465,428	122,795,883	214,881,184	173,472,922	130,311,973	228,044,243	184,090,853	5,002,360
Capital Costs	(101,500,000)	(148,410,000)	(146,176,200)	(7,322,335)	(7,468,782)	(7,618,158)	(7,770,521)	(7,925,931)	(8,084,450)	(8,246,139)	(8,411,061)	(8,579,283)	(8,750,868)	(8,925,886)	(9,104,403)	(9,286,492)	0	0	(503,580)
Working Capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Contribution to Environmental Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawal from Environmental Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Cash Flow	(101,500,000)	(148,410,000)	(146,176,200)	132,195,524	97,336,322	61,029,873	101,268,709	143,092,687	186,549,116	231,686,566	194,085,701	154,888,126	114,045,014	205,965,298	164,368,519	121,025,482	228,044,243	184,090,853	4,498,728
Cumulative Net Cash Flow	(101,500,000)	(249,910,000)	(396,086,200)	(263,890,676)	(166,554,354)	(105,524,482)	(4,255,773)	138,836,914	325,386,031	557,072,596	751,158,297	906,046,423	1,020,091,437	1,226,056,736	1,390,425,254	1,511,450,736	1,739,494,979	1,923,585,832	
Net Present Value Before Taxes and Financing																			
			0.0%	5.0%	7.5%	10.0%	12.5%												
			-2.0%	2.9%	5.4%	7.8%	10.3%												
NPV (before tax and royalty)	4,498,782,274	2,115,925,783	1,486,290,823	1,066,520,320	756,989,330														

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General Economic Parameters

	Base	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Base Year, commencement of production	2007																		
Base year for cost inputs	2004																		
Number of years of mine production	15																		
Debt:Total Initial Capital Investment	50%																		
Gov't of Canada long term bond yield	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%
Additional Graphs: Comparative Results and Annual Results -- Canadian Comparisons																			
Annual escalation rate for operating costs and value of money	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Operating cost inflation index for the year	1.0000	1.0200	1.0404	1.0612	1.0824	1.1041	1.1262	1.1487	1.1717	1.1951	1.2190	1.2434	1.2682	1.2936	1.3195	1.3459	1.3728	1.4002	
Annual escalation rate for capital costs	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Capital cost inflation index for the year	1.0000	1.0200	1.0404	1.0612	1.0824	1.1041	1.1262	1.1487	1.1717	1.1951	1.2190	1.2434	1.2682	1.2936	1.3195	1.3459	1.3728	1.4002	
Annual escalation rate for base metal prices	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Base metal prices escalation index for the year	1.0000	1.0200	1.0404	1.0612	1.0824	1.1041	1.1262	1.1487	1.1717	1.1951	1.2190	1.2434	1.2682	1.2936	1.3195	1.3459	1.3728	1.4002	
Annual escalation for gold price	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Gold price escalation index for the year	1.0000	1.0200	1.0404	1.0612	1.0824	1.1041	1.1262	1.1487	1.1717	1.1951	1.2190	1.2434	1.2682	1.2936	1.3195	1.3459	1.3728	1.4002	
Annual escalation for silver price	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Silver price escalation index for the year	1.0000	1.0200	1.0404	1.0612	1.0824	1.1041	1.1262	1.1487	1.1717	1.1951	1.2190	1.2434	1.2682	1.2936	1.3195	1.3459	1.3728	1.4002	
\$Canada:\$USA Exchange Rate	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850
Discount rate for discounted cash flow analysis (real)	7.80%																		
Discount rate for discounted cash flow analysis	10.00%																		
Annual interest rate on corporate debt, Cdn business prime rate	4.25%																		

Notes:

Pre-production interest expenses are capitalized.

Debt scheduled for repayment over 5 years or 50% designed mine life, whichever is longer.

Initial development debt repaid out of 90% of after tax cash flow.

Shortfall in meeting annual debt repayment is added to debt, and rescheduled over remaining term.

All expenses after onset of production to be paid from cash flow.

Project Cost Factors

	Base	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Capital cost adjustment factor %	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Operating cost adjustment factor %	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

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Canadian & International Fiscal Parameters

Current tax and royalty rates, including legislated future changes

Canadian Fiscal Parameters	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Federal Income Tax																		
Corporate income tax rate	28%	28%	28%	28%	26.5%	26.0%	25.0%	23.5%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%
Resource income tax rate reduction	2%	3%	5%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
Corporate income tax surtax rate	4%	4%	4%	4%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Large corporation tax rate	0.200%	0.175%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Resource Allowance	19%	16%	9%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Accelerated Capital Cost Allowance (ACCA)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Capital Cost Allowance, Class 41a (CCA)	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Canadian Exploration Expense (CEE)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Canadian Development Expense (CDE)	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Atlantic & Gaspé Investment Tax Credit	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Provincial Mining Tax Deduction (federal)	25%	35%	65%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Canadian Exploration Expense Tax Credit	7%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Northwest Territories + Nunavut																		
NWT Corporate income tax rate	14.0%	14.0%	12.8%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
NT Corporate income tax rate	12.0%	12.0%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
CMR Royalty																		
CMR royalty rate (maximum)	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%
for value of output up to \$10,000.	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
for output over \$10,000 to \$5,000,000.	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
increment for each additional \$5,000,000. of output	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
to maximum (for output over \$45,000,000.)	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%
Depreciation allowance	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Exploration & development allowance	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Processing allowance max % of royaltyable income	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%
Processing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
British Columbia																		
Corporate income tax rate	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Preproduction capital gross-up rate	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	0.00%	#REF!	#REF!	#REF!	#REF!
Investment allowance rate	3.65%	3.65%	5.39%	5.75%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%
Mining tax part 1 rate	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Mining tax part 2 rate	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%
Alberta (Metallic Minerals, Diamonds)																		
Corporate income tax rate	11.5%	11.5%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Royalty Tax credit rate, average annual	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Royalty Tax credit shelter maximum (\$000)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Mining tax rate, pre-payout	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Mining tax rate, post-payout	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
Capital Allowance	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Processing Allowance rate	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%

Saskatchewan (Gold & Base Metal)

Corporate income tax rate	17.0%	17.0%	15.5%	13.5%	12.5%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Capital tax, base rate	0.6%	0.6%	0.5%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Resource surcharge on capital tax	3.6%	3.6%	3.5%	3.2%	3.1%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Resource surcharge on capital tax _DIAMONDS	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Mining tax rate, initial period	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Mining tax rate, pastthreshold	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Threshold for mining tax increase (\$000)	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000
Preproduction allowance	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%
Depreciation	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Manitoba

Corporate income tax rate	15.0%	15.0%	14.5%	14.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%
Capital tax, base rate	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Capital tax, surtax rate	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Capital deductible amount (\$000)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Capital deductible amount for surtax (\$000)	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Mining tax rate	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%
Special tax rate	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Depreciation allowance rate	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
Investment credit rate	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
Processing allowance rate	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%

Ontario

Corporate income tax rate	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Resource allowance rate	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Capital tax rate	0.300%	0.300%	0.300%	0.285%	0.285%	0.225%	0.150%	0.075%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Capital tax, deductible amount (\$000)	5,000	7,500	10,000	12,500	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Mining tax rate	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Mining tax exemption (annual) (\$000)	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500
Mining tax holiday amount (\$000)	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Mining tax holiday period (yr)	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Remote mines																		
Mining tax rate	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Mining tax holiday amount (\$000)	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Mining tax holiday period (yr)	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Depreciation allowance rate: preprod. mine assets	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Depreciation allowance rate: mine assets	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Depreciation allowance rate: processing and transportation assets	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Processing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Development expense allowance rate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Minimum corporate income tax rate	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
Ontario charitable donation deduction rate				100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Made in Ontario deduction part 2 allowance				15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Made in Ontario deduction part 2 allowance limit rate				20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%

Quebec																	
Corporate income tax rate	8.9%	8.9%	9.9%	9.9%	11.4%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%
Resource allowance rate	25%	25%	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Capital tax rate	0.600%	0.525%	0.490%	0.360%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%
Capital tax, deductible amount (\$000)	600	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Mining duty rate	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
Depreciation allowance rate assets	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Exploration & development expense allowance rate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Processing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
For mines north of 51°																	
Tax Holiday for first production years	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Limit as % of processing assets for the year	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%

New Brunswick																	
Corporate income tax rate	13%	13%	13%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
Capital tax rate	0.300%	0.300%	0.250%	0.200%	0.100%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Capital tax, deductible amount (\$000)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Metallic minerals royalty	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Royalty holiday on initial production (yr)	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Mining tax rate	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%
Depreciation allowance other assets	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%
Depreciation allowance new mine assets	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Minimum depreciation allowance new mine assets	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Exploration expense allowance rate	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%
Processing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Processing allowance maximum of revenue	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Processing allowance maximum of profit	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%
Financing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Income tax credit maximum annual limit (\$000)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000

Nova Scotia																	
Corporate income tax rate	16%	16%	16%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
Capital tax rate, capital between 5M and 10M	0.550%	0.550%	0.500%	0.450%	0.400%	0.300%	0.200%	0.100%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Capital tax rate, capital above 10M	0.300%	0.275%	0.250%	0.225%	0.200%	0.150%	0.100%	0.050%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Capital tax, deductible amount (\$000)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Capital tax, deductible amount 2nd level (\$000)	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Net revenue royalty	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Royalty holiday on initial production (yr)	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Net income royalty	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Depreciation allowance after yr 3	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Depreciation allowance new mine assets, 1st 3 yr	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Minimum depreciation allowance new mine assets	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Exploration expense allowance rate	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%
Processing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Processing allowance gross-up factor on asset value	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Processing allowance maximum of profit	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%
Financing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Income tax credit maximum annual limit (\$000)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000

Newfoundland & Labrador

Corporate income tax rate	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%
Mining tax rate	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Proportion of Net Income subject to Mining Tax	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
Mineral rights tax rate	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
Depreciation allowance Class 1&2 assets	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Depreciation allowance Class 3 assets	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Exploration expense allowance rate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Processing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Processing allowance maximum of income	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%
Income tax credit (10 yr.)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Income tax credit maximum annual limit (\$000)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000

Yukon

Corporate income tax rate	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
QMA Royalty																		
value of output 1	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
value of output 2	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
value of output 3	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
additional value of output increment	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
royalty rate at output 1	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
royalty rate at output 2	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
royalty rate at output 3	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
royalty rate for additional output increment	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Depreciation allowance rate	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%

International Fiscal Parameters, as of 2007

Current tax and royalty rates, including legislated future changes

Australia	
Federal corporate income tax rate	30%
Western Australia	
Base metal ad valorem royalty rate	5%
Tier 1 ad valorem diamond royalty rate	7.5%
Tier 2 net profit diamond royalty rate	22.5%
South Australia	
Base metal ad valorem royalty rate	3.5%
Reduced ad valorem royalty rate	1.5%
Reduced ad valorem royalty term (yr)	5
Sweden	
Corporate income tax rate	28%
Ad valorem minerals royalty	
to land owner	0.15%
to state	0.05%
total	0.20%
USA	
Federal corporate income tax rate	35%
Alternative minimum tax rate	20%
Environmental tax rate	0.12%
Alaska	
State corporate income tax rate	9.4%
Alternative minimum tax rate	18%
Mining license tax	7%
tax free period (yr)	3
tax reduction in 1st taxable year	50%
tax rate, net income up to \$40k	0%
tax rate, net income between \$40k and \$100k	5%
tax rate, net income above \$100k	7%
Production royalty on net income	3%
Nevada	
State corporate income tax rate	0%
Alternative minimum tax rate	0%
Net proceeds of minerals tax rate	5%
South Africa	
Corporate income tax rate	29%
Ad valorem unrefined base metal royalty rate	4%
Ad valorem unpolished diamond royalty rate	5%
Unpolished diamond export levy	5%

Appendix 5a - BaseMetal20.xls

June 12, 2008

Namibia	
Corporate income tax rate - base metals	37.5%
Corporate income tax rate - diamonds	55%
Non-resident tax on dividends rate	10%
Ad valorem base metal royalty rate	3%
Ad valorem diamond royalty rate	10%
Chile	
First category tax rate	17%
Additional (profits) tax rate	42%
Mining activities tax rate	5%
production threshold for mining activities tax t/y	50,000
Mexico	
Corporate income tax rate	28%
Obligatory profit sharing rate	10%
Tax on assets rate	1.25%
Peru	
Corporate income tax rate	
Basic tax rate	27%
Tax on dividends / profit distributions rate	4%
Effective total statutory rate	30%
Mining Royalty rates, ad valorem base tax rate	
value of sales up to \$60M	1%
value of sales from \$60M to \$120M	2%
value of sales above \$120M	3%
Denmark - Greenland	
Corporate income tax rate	30%
Mineral royalty fee rate	0%

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 20%IRR (NWT), After Tax																				
Northwest Territories																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166	
- Normal CCA	0	0	0	71,983	53,755	31,354	17,606	5,535	6,153	6,656	7,074	7,429	7,738	8,013	8,264	8,497	7,533	5,650	253,240	
- Accelerated CCA	0	0	0	8,324	43,393	31,334	38,525	0	0	0	0	0	0	0	0	0	0	0	121,575	
= Resource Profits	0	0	0	59,211	7,657	5,960	52,909	145,483	188,481	233,277	195,423	156,038	115,058	206,878	165,209	121,815	220,511	178,441	2,052,351	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- TerritorialMining Royalty Deduction	0	0	0	360	372	385	398	6,225	22,437	28,767	23,395	17,797	11,965	24,907	18,966	12,777	27,906	21,699	218,359	
- CEE	0	0	0	0	0	0	48,717	63,982	0	0	0	0	0	0	0	0	0	0	112,699	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	8,924	7,284	5,575	3,794	1,936	0	0	0	0	0	0	0	0	0	0	27,514	
= Net Profit	0	0	0	49,927	0	0	0	73,339	166,044	204,510	172,027	138,241	103,092	181,971	146,243	109,038	192,604	156,742	1,693,779	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	49,927	0	0	0	73,339	166,044	204,510	172,027	138,241	103,092	181,971	146,243	109,038	192,604	156,742	1,693,779	
Basic Federal Income Tax	0	0	0	13,980	0	0	0	17,235	36,530	44,992	37,846	30,413	22,680	40,034	32,173	23,988	42,373	34,483	376,727	
Federal Income Surtax	0	0	0	559	0	0	0	0	0	0	0	0	0	0	0	0	0	0	559	
- Resource Income Tax Reduction	0	0	0	3,495	0	0	0	5,134	11,623	14,316	12,042	9,677	7,216	12,738	10,237	7,633	13,482	10,972	118,565	
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense ITC	0	0	0	11,044	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11,044	
Federal Income Tax	0	0	0	0	0	0	0	12,101	24,907	30,677	25,804	20,736	15,464	27,296	21,936	16,356	28,891	23,511	247,678	
Territorial Income Tax (\$000)																				
= Taxable Income	0	0	0	49,927	0	0	0	73,339	166,044	204,510	172,027	138,241	103,092	181,971	146,243	109,038	192,604	156,742	1,693,779	
Provincial Income Tax	0	0	0	5,742	0	0	0	8,434	19,095	23,519	19,783	15,898	11,856	20,927	16,818	12,539	22,150	18,025	194,785	
Canada Mining Regulation Royalty (\$000)																				
Net Operating Revenue (incl. ITC)	0	0	0	143,232	108,214	71,739	112,586	155,039	199,144	244,952	207,189	167,819	126,791	219,871	178,091	134,551	233,329	188,991	2,491,538	
- Exploration & Development Allowance	0	0	0	120,189	0	0	0	0	0	0	0	0	0	0	0	0	0	0	120,189	
- Depreciation Allowance	0	0	0	3,510	88,083	50,996	91,219	80,194	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	383,391	
= Income before proc all	0	0	0	19,532	20,132	20,743	21,367	74,844	191,060	236,706	198,778	159,240	118,040	210,945	168,986	125,265	233,329	188,991	1,987,958	
- Processing Allowance	0	0	0	12,696	13,086	13,483	13,889	14,302	14,724	15,154	15,593	16,041	16,497	16,963	17,438	17,922	17,922	17,922	233,631	
= Net Income for Royalty	0	0	0	6,836	7,046	7,260	7,478	60,542	176,336	221,551	183,186	143,199	101,543	193,982	151,548	107,342	215,407	171,069	1,754,327	
Territorial Mining Royalty	0	0	0	360	372	385	398	6,225	22,437	28,767	23,395	17,797	11,965	24,907	18,966	12,777	27,906	21,699	218,359	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255	
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934	
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	383,391	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	0	1,078	3,780	7,070	8,924	7,284	5,575	3,794	1,936	0	0	0	0	0	0	0	0	0	39,442	
- Fed. Income Tax	0	0	0	0	0	0	0	12,101	24,907	30,677	25,804	20,736	15,464	27,296	21,936	16,356	28,891	23,511	247,678	
- Provincial Income Tax	0	0	0	0	5,742	0	0	8,434	19,095	23,519	19,783	15,898	11,856	20,927	16,818	12,539	22,150	18,025	194,785	
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Mining Tax	0	0	0	0	360	372	385	398	6,225	22,437	28,767	23,395	17,797	11,965	24,907	18,966	12,777	27,906	218,359	
= Net Cash Flow	0	-102,578	-152,190	-153,246	117,170	89,680	55,069	97,077	114,396	120,111	148,725	125,103	100,457	74,760	132,836	106,648	79,353	149,098	120,855	1,223,323

Appendix 5a - BaseMetal20.xls

June 12, 2008

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 20%IRR (NWT), After Tax																				
Nunavut																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166	
- Normal CCA	0	0	0	71,983	53,755	31,354	17,606	5,535	6,153	6,656	7,074	7,429	7,738	8,013	8,264	8,497	7,533	5,650	253,240	
- Accelerated CCA	0	0	0	8,324	43,393	31,334	38,525	0	0	0	0	0	0	0	0	0	0	0	121,575	
= Resource Profits	0	0	0	59,211	7,657	5,960	52,909	145,483	188,481	233,277	195,423	156,038	115,058	206,878	165,209	121,815	220,511	178,441	2,052,351	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Territorial Mining Royalty Deduction	0	0	0	360	372	385	398	6,225	22,437	28,767	23,395	17,797	11,965	24,907	18,966	12,777	27,906	21,699	218,359	
- CEE	0	0	0	0	0	0	48,717	63,982	0	0	0	0	0	0	0	0	0	0	112,699	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	8,924	7,284	5,575	3,794	1,936	0	0	0	0	0	0	0	0	0	0	27,514	
= Net Profit	0	0	0	49,927	0	0	0	73,339	166,044	204,510	172,027	138,241	103,092	181,971	146,243	109,038	192,604	156,742	1,693,779	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	49,927	0	0	0	73,339	166,044	204,510	172,027	138,241	103,092	181,971	146,243	109,038	192,604	156,742	1,693,779	
Basic Federal Income Tax	0	0	0	13,980	0	0	0	17,235	36,530	44,992	37,846	30,413	22,680	40,034	32,173	23,988	42,373	34,483	376,727	
Federal Income Surtax	0	0	0	559	0	0	0	0	0	0	0	0	0	0	0	0	0	0	559	
- Resource Income Tax Reduction	0	0	0	3,495	0	0	0	5,134	11,623	14,316	12,042	9,677	7,216	12,738	10,237	7,633	13,482	10,972	118,565	
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense ITC	0	0	0	11,044	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11,044	
Federal Income Tax	0	0	0	0	0	0	0	12,101	24,907	30,677	25,804	20,736	15,464	27,296	21,936	16,356	28,891	23,511	247,678	
Territorial Income Tax (\$000)																				
= Taxable Income	0	0	0	49,927	0	0	0	73,339	166,044	204,510	172,027	138,241	103,092	181,971	146,243	109,038	192,604	156,742	1,693,779	
Provincial Income Tax	0	0	0	5,991	0	0	0	8,801	19,925	24,541	20,643	16,589	12,371	21,837	17,549	13,085	23,113	18,809	203,254	
Canada Mining Regulation Royalty (\$000)																				
Net Operating Revenue (incl. ITC)	0	0	0	143,232	108,214	71,739	112,586	155,039	199,144	244,952	207,189	167,819	126,791	219,871	178,091	134,551	233,329	188,991	2,491,538	
- Exploration & Development Allowance	0	0	0	120,189	0	0	0	0	0	0	0	0	0	0	0	0	0	0	120,189	
- Depreciation Allowance	0	0	0	3,510	88,083	50,996	91,219	80,194	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	383,391	
= Income before proc all	0	0	0	19,532	20,132	20,743	21,367	74,844	191,060	236,706	198,778	159,240	118,040	210,945	168,986	125,265	233,329	188,991	1,987,958	
- Processing Allowance	0	0	0	12,696	13,086	13,483	13,889	14,302	14,724	15,154	15,593	16,041	16,497	16,963	17,438	17,922	17,922	17,922	233,631	
= Net Income for Royalty	0	0	0	6,836	7,046	7,260	7,478	60,542	176,336	221,551	183,186	143,199	101,543	193,982	151,548	107,342	215,407	171,069	1,754,327	
Territorial Mining Royalty	0	0	0	360	372	385	398	6,225	22,437	28,767	23,395	17,797	11,965	24,907	18,966	12,777	27,906	21,699	218,359	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255	
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934	
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	383,391	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	0	1,078	3,780	7,070	8,924	7,284	5,575	3,794	1,936	0	0	0	0	0	0	0	0	0	39,442	
- Fed. Income Tax	0	0	0	0	0	0	0	12,101	24,907	30,677	25,804	20,736	15,464	27,296	21,936	16,356	28,891	23,511	247,678	
- Provincial Income Tax	0	0	0	0	5,991	0	0	8,801	19,925	24,541	20,643	16,589	12,371	21,837	17,549	13,085	23,113	18,809	203,254	
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Mining Tax	0	0	0	360	372	385	398	6,225	22,437	28,767	23,395	17,797	11,965	24,907	18,966	12,777	27,906	21,699	218,359	
= Net Cash Flow	0	-102,578	-152,190	-153,246	116,921	89,680	55,069	97,077	114,029	119,281	147,702	124,243	99,766	74,245	131,926	105,917	78,808	148,135	1,214,854	

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 20%IRR (NWT), After Tax																				
Alberta																				
Metallic & Diamonds																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166
- Normal CCA	0	0	0	0	71,983	54,158	32,071	18,544	5,535	6,153	6,656	7,074	7,429	7,738	8,013	8,264	8,497	7,533	5,650	255,297
- Accelerated CCA	0	0	0	0	6,714	41,735	29,730	41,339	0	0	0	0	0	0	0	0	0	0	0	119,518
= Resource Profits	0	0	0	0	60,821	8,912	6,847	49,156	145,483	188,481	233,277	195,423	156,038	115,058	206,878	165,209	121,815	220,511	178,441	2,052,351
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Provincial Mining Royalty Deduction	0	0	0	0	1,970	1,628	1,272	1,689	2,122	20,177	25,529	20,951	16,180	11,211	22,171	17,109	11,835	24,677	19,403	197,924
- CEE	0	0	0	0	0	0	0	43,674	69,025	0	0	0	0	0	0	0	0	0	0	112,699
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest Expense	0	0	0	0	8,924	7,284	5,575	3,794	1,936	0	0	0	0	0	0	0	0	0	0	27,514
= Net Profit	0	0	0	0	49,927	-	0	0	72,400	168,304	207,748	174,471	139,858	103,847	184,706	148,101	109,981	195,834	159,038	1,714,214
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Taxable Income	0	0	0	0	49,927	0	0	0	72,400	168,304	207,748	174,471	139,858	103,847	184,706	148,101	109,981	195,834	159,038	1,714,214
Basic Federal Income Tax	0	0	0	0	13,980	0	0	0	17,014	37,027	45,704	38,384	30,769	22,846	40,635	32,582	24,196	43,083	34,988	381,209
Federal Income Surtax	0	0	0	0	559	0	0	0	0	0	0	0	0	0	0	0	0	0	0	559
- Resource Income Tax Reduction	0	0	0	0	3,495	0	0	0	5,068	11,781	14,542	12,213	9,790	7,269	12,929	10,367	7,699	13,708	11,133	119,995
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense ITC	0	0	0	0	11,044	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11,044
Federal Income Tax	0	0	0	0	0	0	0	0	11,946	25,246	31,162	26,171	20,979	15,577	27,706	22,215	16,497	29,375	23,856	250,729
Provincial Income Tax (\$000)																				
Net Operating Revenue	0	0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166
- Regular CCA	0	0	0	0	71,983	41,676	19,589	6,062	5,535	6,153	6,656	7,074	7,429	7,738	8,013	8,264	8,497	7,533	5,650	217,852
- Accelerated CCA	0	0	0	0	56,641	54,217	42,212	3,894	0	0	0	0	0	0	0	0	0	0	0	156,964
= Resource Profits	0	0	0	0	10,894	8,912	6,847	99,084	145,483	188,481	233,277	195,423	156,038	115,058	206,878	165,209	121,815	220,511	178,441	2,052,351
- Resource Tax Deduction	0	0	0	0	1,970	1,628	1,272	1,689	2,122	20,177	25,529	20,951	16,180	11,211	22,171	17,109	11,835	24,677	19,403	197,924
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- CEE	0	0	0	0	0	0	0	93,601	30,142	0	0	0	0	0	0	0	0	0	0	123,743
- Interest Expense	0	0	0	0	8,924	7,284	5,575	3,794	1,936	0	0	0	0	0	0	0	0	0	0	27,514
= Net Profit	0	0	0	0	0	-	0	0	111,283	168,304	207,748	174,471	139,858	103,847	184,706	148,101	109,981	195,834	159,038	1,703,170
- Prior Years' Losses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Taxable Income	0	0	0	0	0	0	0	0	111,283	168,304	207,748	174,471	139,858	103,847	184,706	148,101	109,981	195,834	159,038	1,703,170
Provincial Income Tax	0	0	0	0	0	0	0	0	11,128	16,830	20,775	17,447	13,986	10,385	18,471	14,810	10,998	19,583	15,904	170,317
Provincial Mining Tax (\$000)																				
Gross Revenue Portion																				
Gross Revenue	0	0	0	0	371,391	340,937	309,117	354,711	402,006	451,051	501,897	469,273	435,144	399,462	497,997	461,779	423,913	528,478	490,043	6,437,199
- Processing costs	0	0	0	0	150,585	153,597	156,669	159,802	162,998	166,258	169,584	172,975	176,435	179,964	183,563	187,234	190,979	194,798	198,694	2,604,136
- Capital allowance	2,250	13,725	23,089	23,089	23,805	24,536	25,281	26,041	26,816	27,607	28,414	29,237	30,076	30,932	31,805	32,696	33,604	33,604	33,604	477,122
= Mine mouth revenue	0	0	0	0	197,001	162,805	127,167	168,868	212,191	257,185	303,899	267,061	228,634	188,567	282,629	241,849	199,330	300,075	257,745	3,395,005
Tax	0	0	0	0	1,970	1,628	1,272	1,689	2,122	2,572	3,039	2,671	2,286	1,886	2,826	2,418	1,993	3,001	2,577	33,950
Net Profit Portion																				
Gross Revenue	0	0	0	0	371,391	340,937	309,117	354,711	402,006	451,051	501,897	469,273	435,144	399,462	497,997	461,779	423,913	528,478	490,043	6,437,199
- Allowed capital costs	69,000	111,180	95,717	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	383,391
- Allowed operating costs	0	0	0	0	231,874	236,132	240,469	245,672	250,987	256,417	261,964	266,777	271,677	276,667	283,105	288,306	293,601	300,434	305,952	4,010,033
- Allowed exportation & development costs	32,500	37,230	50,459	50,459	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	120,189
- Processing Allowance	0	0	0	0	15,870	16,357	16,854	17,361	17,878	18,405	18,943	19,491	20,051	20,621	21,203	21,797	22,403	22,403	22,403	292,039
- Operating losses carried forward	0	0	0	0	101,500	249,910	396,086	279,761	198,781	154,605	70,697	0	0	0	0	0	0	0	0	1,451,341
Net revenue	-101,500	-249,910	-396,086	-279,761	-198,781	-154,605	-70,697	54,518	168,144	212,744	174,595	134,837	93,424	184,762	142,571	98,623	205,641	161,688	180,206	
Tax	0	0	0	0	0	0	0	0	0	20,177	25,529	20,951	16,180	11,211	22,171	17,109	11,835	24,677	19,403	189,243
Provincial Mining Tax	0	0	0	0	1,970	1,628	1,272	1,689	2,122	20,177	25,529	20,951	16,180	11,211	22,171	17,109	11,835	24,677	19,403	197,924

Appendix 5a - BaseMetal20.xls

June 12, 2008

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 20%IRR (NWT), After Tax																				
Alberta																				
Metallic & Diamonds																				
Cash Flow from Operations (\$000)																				
Net operating revenue		0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	383,391
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense	1,078	3,780	7,070	8,924	7,284	5,575	3,794	1,936	0	0	0	0	0	0	0	0	0	0	0	39,442
- Fed. Income Tax	0	0	0	0	0	0	0	11,946	25,246	31,162	26,171	20,979	15,577	27,706	22,215	16,497	29,375	23,856	250,729	
- Provincial Income Tax	0	0	0	0	0	0	0	11,128	16,830	20,775	17,447	13,986	10,385	18,471	14,810	10,998	19,583	15,904	170,317	
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Provincial Mining Tax	0	0	0	0	1,970	1,628	1,272	1,689	2,122	20,177	25,529	20,951	16,180	11,211	22,171	17,109	11,835	24,677	19,403	197,924
= Net Cash Flow from Operations, After Tax		-102,578	-152,190	-153,246	121,302	88,424	54,183	95,786	115,960	124,296	154,220	129,517	103,743	76,872	137,617	110,235	81,696	154,409	124,929	1,265,174

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 20%IRR (NWT), After Tax Saskatchewan (Gold & Base Metal)																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166	
- Normal CCA	0	0	0	71,988	53,676	31,187	17,346	5,535	6,153	6,656	7,074	7,429	7,738	8,013	8,264	8,497	7,533	5,650	252,738	
- Accelerated CCA	0	0	0	8,655	43,825	31,871	37,745	0	0	0	0	0	0	0	0	0	0	0	122,096	
= Resource Profits	0	0	0	58,876	7,304	5,591	53,948	145,483	188,481	233,277	195,423	156,038	115,058	206,878	165,209	121,815	220,511	178,441	2,052,333	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- ProvincialMining Royalty Deduction	0	0	0	0	0	0	0	0	0	0	0	0	0	21,095	16,899	12,526	23,333	18,899	92,752	
- CEE	0	0	0	0	0	0	50,144	62,563	0	0	0	0	0	0	0	0	0	0	112,707	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	8,948	7,304	5,591	3,804	1,942	0	0	0	0	0	0	0	0	0	0	27,589	
= Net Profit	0	0	0	49,927	0	0	0	80,979	188,481	233,277	195,423	156,038	115,058	185,783	148,311	109,289	197,178	159,542	1,819,285	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	49,927	0	0	0	80,979	188,481	233,277	195,423	156,038	115,058	185,783	148,311	109,289	197,178	159,542	1,819,285	
Basic Federal Income Tax	0	0	0	13,980	0	0	0	19,030	41,466	51,321	42,993	34,328	25,313	40,872	32,628	24,044	43,379	35,099	404,453	
Federal Income Surtax	0	0	0	559	0	0	0	0	0	0	0	0	0	0	0	0	0	0	559	
- Resource Income Tax Reduction	0	0	0	3,495	0	0	0	5,669	13,194	16,329	13,680	10,923	8,054	13,005	10,382	7,650	13,802	11,168	127,350	
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense ITC	0	0	0	11,044	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11,044	
Federal Income Tax	0	0	0	0	0	0	0	13,362	28,272	34,992	29,313	23,406	17,259	27,868	22,247	16,393	29,577	23,931	266,618	
Provincial Income Tax (\$000)																				
Taxable Income (from Federal Calc'n)	0	0	0	49,927	0	0	0	80,979	188,481	233,277	195,423	156,038	115,058	185,783	148,311	109,289	197,178	159,542	1,819,285	
Provincial Income Tax	0	0	0	6,740	0	0	0	9,717	22,618	27,993	23,451	18,725	13,807	22,294	17,797	13,115	23,661	19,145	219,063	
Provincial Capital Tax (\$000)																				
Taxable Capital	17,171	50,359	62,338	141,414	193,633	200,572	297,170	423,945	502,411	609,806	686,760	727,763								
Basic Capital Tax	43	242	262	263	184	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Gross resource production revenue	0	0	0	371,391	340,937	309,117	354,711	402,006	451,051	501,897	469,273	435,144	399,462	497,997	461,779	423,913	528,478	490,043	6,437,199	
Resource surcharge	0	0	0	11,885	10,569	9,273	10,641	12,060	13,532	15,057	14,078	13,054	11,984	14,940	13,853	12,717	15,854	14,701	3,945,661	
Resource Surtax	0	0	0	11,622	10,385	9,273	10,641	12,060	13,532	15,057	14,078	13,054	11,984	14,940	13,853	12,717	15,854	14,701	3,945,661	
Capital Tax	43	242	262	11,885	10,569	9,273	10,641	12,060	13,532	15,057	14,078	13,054	11,984	14,940	13,853	12,717	15,854	14,701	194,747	
Provincial Mining Royalty (\$000)																				
Gross revenue	0	0	0	371,391	340,937	309,117	354,711	402,006	451,051	501,897	469,273	435,144	399,462	497,997	461,779	423,913	528,478	490,043	6,437,199	
- Operating costs	0	0	0	228,160	232,723	237,377	242,125	246,967	251,907	256,945	262,084	267,325	272,672	278,125	283,688	289,362	295,149	301,052	3,945,661	
- Preproduction Allowance	0	0	0	143,232	37,052	0	0	0	0	0	0	0	0	0	0	0	0	0	180,284	
- Exploration & Development	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Depreciation	0	0	0	71,162	71,739	112,586	58,515	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	0	383,391	
- Loss carryforward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Net Profit	0	0	0	0	0	0	0	96,524	191,060	236,706	198,778	159,240	118,040	210,945	168,986	125,265	233,329	188,991	1,927,863	
Basic royalty	0	0	0	0	0	0	0	4,826	9,553	11,835	9,939	12,077	11,804	21,095	16,899	12,526	23,333	18,899	152,786	
Royalty holiday	0	0	0	0	0	0	0	4,826	9,553	11,835	9,939	12,077	11,804	0	0	0	0	0	60,035	
Provincial Mining Royalty	0	0	0	0	0	0	0	0	0	0	0	0	0	21,095	16,899	12,526	23,333	18,899	92,752	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255	
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934	
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	383,391	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	1,079	3,787	7,088	8,948	7,304	5,591	3,804	1,942	0	0	0	0	0	0	0	0	0	0	39,543	
- Fed. Income Tax	0	0	0	0	0	0	0	13,362	28,272	34,992	29,313	23,406	17,259	27,868	22,247	16,393	29,577	23,931	266,618	
- Provincial Income Tax	0	0	0	6,740	0	0	0	9,717	22,618	27,993	23,451	18,725	13,807	22,294	17,797	13,115	23,661	19,145	219,063	
- Provincial Capital Tax	0	43	242	262	11,885	10,569	9,273	10,641	12,060	13,532	15,057	14,078	13,054	0	0	0	0	0	110,696	
- Provincial Mining Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	21,095	16,899	12,526	23,333	18,899	92,752	
= Net Cash Flow from Operations, After Tax	-102,622	-152,439	-153,526	104,623	79,463	46,166	86,823	106,012	122,128	153,645	127,243	99,704	82,979	134,709	107,426	78,991	151,473	122,115	1,194,913	

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 20%IRR (NWT), After Tax																				
Manitoba																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166	
- Normal CCA	0	0	0	69,889	51,578	29,088	15,377	5,535	6,153	6,656	7,074	7,429	7,738	8,013	8,264	8,497	7,533	5,650	244,474	
- Accelerated CCA	0	0	0	10,754	45,924	33,451	31,839	0	0	0	0	0	0	0	0	0	0	0	121,967	
= Resource Profits	0	0	0	58,875	7,304	6,109	61,824	145,483	188,481	233,277	195,423	156,038	115,058	206,878	165,209	121,815	220,511	178,441	2,060,725	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Mining Royalty Deduction	0	0	0	0	0	519	2,301	10,179	16,480	26,008	26,547	19,696	12,449	29,263	21,737	13,842	32,084	24,474	235,579	
- CEE	0	0	0	0	0	0	55,719	53,426	0	0	0	0	0	0	0	0	0	0	109,145	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	8,947	7,304	5,590	3,804	1,941	0	0	0	0	0	0	0	0	0	0	27,586	
= Net Profit	0	0	0	49,927	-	0	0	79,937	172,001	207,269	168,876	136,342	102,608	177,615	143,472	107,973	188,427	153,967	1,688,414	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	49,927	0	0	0	79,937	172,001	207,269	168,876	136,342	102,608	177,615	143,472	107,973	188,427	153,967	1,688,414	
Basic Federal Income Tax	0	0	0	13,980	0	0	0	18,785	37,840	45,599	37,153	29,995	22,574	39,075	31,564	23,754	41,454	33,873	375,646	
Federal Income Surtax	0	0	0	559	0	0	0	0	0	0	0	0	0	0	0	0	0	0	559	
- Resource Income Tax Reduction	0	0	0	3,495	0	0	0	5,596	12,040	14,509	11,821	9,544	7,183	12,433	10,043	7,558	13,190	10,778	118,189	
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense ITC	0	0	0	11,044	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11,044	
Federal Income Tax	0	0	0	0	0	0	0	13,190	25,800	31,090	25,331	20,451	15,391	26,642	21,521	16,196	28,264	23,095	246,972	
Provincial Income Tax (\$000)																				
Taxable Income (from Federal Calc'n)	0	0	0	49,927	0	0	0	79,937	172,001	207,269	168,876	136,342	102,608	177,615	143,472	107,973	188,427	153,967	1,688,414	
Provincial Income Tax	0	0	0	6,990	0	0	0	10,392	22,360	26,945	21,954	17,724	13,339	23,090	18,651	14,037	24,495	20,016	219,993	
Provincial Capital Tax (\$000)																				
Taxable Capital	17,171	50,360	65,902	155,877	217,824	232,617	341,794	459,006	535,142	634,030	701,219	736,618								
Basic Capital Tax	37	136	183	453	638	683	1,010	1,362	1,590	1,887	2,089	2,195								
Capital Surtax	4	71	102	282	203	218	327	444	520	619	686	722								
Capital Tax	41	207	285	734	841	900	1,337	1,806	2,111	2,506	2,775	2,916							16,460	
Provincial Mining Tax (\$000)																				
Net Operating Revenue	0	0	0	143,232	108,214	71,739	112,586	155,039	199,144	244,952	207,189	167,819	126,791	219,871	178,091	134,551	233,329	188,991	2,491,538	
- Exploration Expenses	0	0	0	0	0	37,060	14,031	0	0	0	0	0	0	0	0	0	0	0	51,091	
- Depreciation Allowance	0	0	0	73,031	59,918	22,909	46,386	38,497	31,542	25,470	20,723	18,294	16,385	14,893	13,736	12,846	10,277	8,221	413,127	
- Tax Holiday Allowance	0	0	0	70,201	48,296	0	0	0	0	0	0	0	0	0	0	0	0	0	118,497	
= Profit before proc all	0	0	0	0	0	11,771	52,169	116,542	167,602	219,481	186,467	149,525	110,405	204,978	164,355	121,705	223,052	180,770	1,908,823	
- Processing Allowance	0	0	0	0	0	7,651	33,910	35,755	36,810	37,885	38,982	40,101	41,243	42,407	43,595	44,806	44,806	44,806	492,756	
= Taxable Profit	0	0	0	0	0	4,120	18,259	80,787	130,793	181,596	147,485	109,424	69,162	162,571	120,761	76,900	178,247	135,964	1,416,067	
Special Tax	0	0	0	0	0	21	91	404	654	908	737	547	346	813	604	384	891	680	7,080	
Mining Tax	0	0	0	0	0	742	3,287	14,542	23,543	32,687	26,547	19,696	12,449	29,263	21,737	13,842	32,084	24,474	254,892	
- Investment Credit	0	0	0	0	0	222	986	4,362	7,063	6,679	0	0	0	0	0	0	0	0	19,313	
- Special Tax Refund	0	0	0	0	0	21	91	404	654	908	737	547	346	813	604	384	891	680	7,080	
Provincial Mining Tax	0	0	0	0	0	519	2,301	10,179	16,480	26,008	26,547	19,696	12,449	29,263	21,737	13,842	32,084	24,474	235,579	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255	
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934	
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	383,391	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	1,079	3,786	7,087	8,947	7,304	5,590	3,804	1,941	0	0	0	0	0	0	0	0	0	0	39,539	
- Fed. Income Tax	0	0	0	0	0	0	0	13,190	25,800	31,090	25,331	20,451	15,391	26,642	21,521	16,196	28,264	23,095	246,972	
- Provincial Income Tax	0	0	0	6,990	0	0	0	10,392	22,360	26,945	21,954	17,724	13,339	23,090	18,651	14,037	24,495	20,016	219,993	
- Provincial Capital Tax	0	41	207	285	734	841	900	1,337	1,806	2,111	2,506	2,775	2,916	0	0	0	0	0	16,460	
- Provincial Mining Tax	0	0	0	0	0	519	2,301	10,179	16,480	26,008	26,547	19,696	12,449	29,263	21,737	13,842	32,084	24,474	235,579	
= Net Cash Flow from Operations, After Tax	-102,620	-152,403	-153,548	115,524	89,191	54,020	93,827	105,585	119,798	145,137	117,478	94,100	72,865	126,970	102,459	76,951	143,200	116,506	1,165,043	

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 20%IRR (NWT), After Tax																				
Ontario																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166	
- Normal CCA	0	0	0	71,986	53,672	31,265	17,591	5,535	6,153	6,656	7,074	7,429	7,738	8,013	8,264	8,497	7,533	5,650	253,056	
- Accelerated CCA	0	0	0	8,666	43,499	31,123	38,482	0	0	0	0	0	0	0	0	0	0	0	121,771	
= Resource Profits	0	0	0	58,866	7,634	6,260	52,966	145,483	188,481	233,277	195,423	156,038	115,058	206,878	165,209	121,815	220,511	178,441	2,052,340	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Mining Royalty Deduction	0	0	0	0	338	676	2,962	10,856	15,623	20,100	16,877	13,517	10,016	17,913	14,435	10,761	19,304	15,673	169,053	
- CEE	0	0	0	0	0	0	46,204	66,500	0	0	0	0	0	0	0	0	0	0	112,704	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	8,938	7,296	5,584	3,800	1,939	0	0	0	0	0	0	0	0	0	0	0	
= Net Profit	0	0	0	49,927	0	0	0	66,188	172,858	213,176	178,546	142,521	105,042	188,965	150,774	111,055	201,206	162,768	1,743,025	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	49,927	0	0	0	66,188	172,858	213,176	178,546	142,521	105,042	188,965	150,774	111,055	201,206	162,768	1,743,025	
Basic Federal Income Tax	0	0	0	13,980	0	0	0	15,554	38,029	46,899	39,280	31,355	23,109	41,572	33,170	24,432	44,265	35,809	387,454	
Federal Income Surtax	0	0	0	559	0	0	0	0	0	0	0	0	0	0	0	0	0	0	559	
- Resource Income Tax Reduction	0	0	0	3,495	0	0	0	4,633	12,100	14,922	12,498	9,976	7,353	13,228	10,554	7,774	14,084	11,394	122,012	
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense ITC	0	0	0	11,044	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11,044	
Federal Income Tax	0	0	0	0	0	0	0	10,921	25,929	31,976	26,782	21,378	15,756	28,345	22,616	16,658	30,181	24,415	254,957	
Provincial Income Tax (\$000)																				
Net Operating Revenue	0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166	
- Regular CCA	0	0	0	71,986	41,935	20,051	6,674	5,535	6,153	6,656	7,074	7,429	7,738	8,013	8,264	8,497	7,533	5,650	219,188	
- Accelerated CCA	0	0	0	55,615	53,142	41,151	5,731	0	0	0	0	0	0	0	0	0	0	0	155,638	
= Resource Profits	0	0	0	11,918	9,728	7,446	96,634	145,483	188,481	233,277	195,423	156,038	115,058	206,878	165,209	121,815	220,511	178,441	2,052,340	
- Resource Allowance	0	0	0	2,979	2,432	1,861	24,159	36,371	47,120	58,319	48,856	39,010	28,764	51,719	41,302	30,454	55,128	44,610	513,085	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- CEE	0	0	0	0	0	0	68,676	55,072	0	0	0	0	0	0	0	0	0	0	123,748	
- Interest Expense	0	0	0	8,938	7,296	5,584	3,800	1,939	0	0	0	0	0	0	0	0	0	0	27,558	
= Net Profit	0	0	0	0	0	0	0	52,101	141,361	174,958	146,567	117,029	86,293	155,158	123,907	91,361	165,383	133,831	1,387,949	
- Prior Years' Losses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	0	0	0	0	52,101	141,361	174,958	146,567	117,029	86,293	155,158	123,907	91,361	165,383	133,831	1,387,949	
Basic Provincial Income Tax	0	0	0	0	0	0	0	6,252	16,963	20,995	17,588	14,043	10,355	18,619	14,869	10,963	19,846	16,060	166,554	
Corporate Minimum Tax	0	0	0	5,581	4,192	2,746	4,362	-211	-9,178	-7,491	0	0	0	0	0	0	0	0	0	
Provincial Income Tax	0	0	0	5,581	4,192	2,746	4,362	6,041	7,785	13,504	17,588	14,043	10,355	18,619	14,869	10,963	19,846	16,060	166,554	
Provincial Capital Tax (\$000)																				
Taxable Capital	17,171	50,362	62,351	154,068	211,772	224,099	319,621	457,326	550,876	670,733	753,281	800,530								
Capital Tax	37	129	157	403	561	470	457	332	0	0	0	0	0	0	0	0	0	0	0	2,546
Provincial Mining Tax (\$000)																				
Net Operating Revenue	0	0	0	143,232	108,214	71,739	112,586	155,039	199,144	244,952	207,189	167,819	126,791	219,871	178,091	134,551	233,329	188,991	2,491,538	
- Depreciation Allowance	0	0	0	113,675	31,430	32,970	33,091	26,735	14,756	7,888	8,046	8,207	8,371	8,538	8,263	7,955	6,218	4,599	320,739	
- Exploration & Development Allowance	0	0	0	10,025	56,653	18,026	35,485	0	0	0	0	0	0	0	0	0	0	0	120,189	
Profit before proc all	0	0	0	19,532	20,132	20,743	44,010	128,304	184,388	237,064	199,144	159,612	118,420	211,333	169,827	126,596	227,111	184,393	2,050,610	
- Processing Allowance	0	0	0	12,696	13,086	13,483	13,889	19,246	27,658	35,560	29,872	23,942	17,763	31,700	25,474	18,989	34,067	27,659	345,082	
Income after Processing Allowance	0	0	0	6,836	7,046	7,260	30,122	109,058	156,730	201,504	169,272	135,670	100,657	179,633	144,353	107,607	193,045	156,734	1,705,528	
- Mining Tax Exemption	500	500	500	7,336	3,664	500	500	500	500	500	500	500	500	500	500	0	0	0	17,000	
Taxable Income	0	0	0	3,382	6,760	29,622	108,558	156,230	201,004	168,772	135,170	100,157	179,133	144,353	107,607	193,045	156,734	169,053	1,690,528	
Provincial Mining Tax	0	0	0	0	338	676	2,962	10,856	15,623	20,100	16,877	13,517	10,016	17,913	14,435	10,761	19,304	15,673	169,053	

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June 12, 2008

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 20%IRR (NWT), After Tax																				
Ontario Mining Tax																				
Cash Flow from Operations (\$000)																				Total
Net operating revenue		0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	383,391
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense	1,079	3,784	7,081	8,938	7,296	5,584	3,800	1,939	0	0	0	0	0	0	0	0	0	0	0	39,502
- Fed. Income Tax	0	0	0	0	0	0	0	10,921	25,929	31,976	26,782	21,378	15,756	28,345	22,616	16,658	30,181	24,415	254,957	
- Provincial Income Tax	0	0	0	5,581	4,192	2,746	4,362	6,041	7,785	13,504	17,588	14,043	10,355	18,619	14,869	10,963	19,846	16,060	166,554	
- Provincial Capital Tax	0	37	129	157	403	561	470	457	332	0	0	0	0	0	0	0	0	0	0	2,546
- Provincial Mining Tax	0	0	0	0	0	338	676	2,962	10,856	15,623	20,100	16,877	13,517	10,016	17,913	14,435	10,761	19,304	15,673	169,053
= Net Cash Flow from Operations, After Tax		-102,616	-152,322	-153,414	117,273	84,949	51,553	89,688	113,004	137,212	166,106	132,839	105,949	77,918	141,088	112,448	82,643	158,713	127,943	1,290,974

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 20%IRR (NWT), After Tax																				
Quebec																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166	
- Normal CCA	0	0	0	71,942	53,791	31,476	17,826	5,535	6,153	6,656	7,074	7,429	7,738	8,013	8,264	8,497	7,533	5,650	253,577	
- Accelerated CCA	0	0	0	8,058	43,010	30,821	39,185	0	0	0	0	0	0	0	0	0	0	0	121,073	
= Resource Profits	0	0	0	59,518	8,005	6,351	52,029	145,483	188,481	233,277	195,423	156,038	115,058	206,878	165,209	121,815	220,511	178,441	2,052,516	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- ProvincialMining Royalty Deduction	0	0	0	820	846	871	897	11,856	21,160	26,586	21,982	17,184	12,185	23,278	18,186	12,881	25,849	20,528	215,110	
- CEE	0	0	0	0	0	0	47,403	65,226	0	0	0	0	0	0	0	0	0	0	112,629	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	8,770	7,159	5,479	3,728	1,903	0	0	0	0	0	0	0	0	0	0	27,040	
= Net Profit	0	0	0	49,927	-	0	0	66,499	167,321	206,691	173,440	138,854	102,873	183,600	147,023	108,934	194,662	157,913	1,697,737	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	49,927	0	0	0	66,499	167,321	206,691	173,440	138,854	102,873	183,600	147,023	108,934	194,662	157,913	1,697,737	
Basic Federal Income Tax	0	0	0	13,980	0	0	0	15,627	36,811	45,472	38,157	30,548	22,632	40,392	32,345	23,966	42,826	34,741	377,495	
Federal Income Surtax	0	0	0	559	0	0	0	0	0	0	0	0	0	0	0	0	0	0	559	
- Resource Income Tax Reduction	0	0	0	3,495	0	0	0	4,655	11,712	14,468	12,141	9,720	7,201	12,852	10,292	7,625	13,626	11,054	118,842	
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense ITC	0	0	0	11,044	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11,044	
Federal Income Tax	0	0	0	0	0	0	0	10,972	25,098	31,004	26,016	20,828	15,431	27,540	22,054	16,340	29,199	23,687	248,169	
Provincial Income Tax (\$000)																				
Net Operating Revenue	0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166	
- Regular CCA	0	0	0	71,926	41,293	18,978	5,328	5,535	6,153	6,656	7,074	7,429	7,738	8,013	8,264	8,497	7,533	5,650	216,067	
- Accelerated CCA	0	0	0	58,002	55,508	43,319	1,691	0	0	0	0	0	0	0	0	0	0	0	158,519	
= Resource Profits	0	0	0	9,591	8,005	6,351	102,021	145,483	188,481	233,277	195,423	156,038	115,058	206,878	165,209	121,815	220,511	178,441	2,052,581	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Resource royalties	0	0	0	820	846	871	897	11,856	21,160	26,586	21,982	17,184	12,185	23,278	18,186	12,881	25,849	20,528	215,110	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- CEE	0	0	0	0	0	0	97,395	26,342	0	0	0	0	0	0	0	0	0	0	123,737	
- Interest Expense	0	0	0	8,770	7,159	5,479	3,728	1,903	0	0	0	0	0	0	0	0	0	0	27,040	
= Net Profit	0	0	0	0	-	0	0	105,382	167,321	206,691	173,440	138,854	102,873	183,600	147,023	108,934	194,662	157,913	1,686,693	
- Prior Years' Losses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	0	0	0	0	105,382	167,321	206,691	173,440	138,854	102,873	183,600	147,023	108,934	194,662	157,913	1,686,693	
Provincial Income Tax	0	0	0	0	0	0	0	12,541	19,911	24,596	20,639	16,524	12,242	21,848	17,496	12,963	23,165	18,792	200,716	
Provincial Capital Tax (\$000)																				
Taxable Capital	33,133	80,137	124,234	188,315	221,917	231,773	268,770	310,852	361,301	429,307	478,490	505,283								
Capital Tax	195	415	604	674	641	669	777	899	1,045	1,242	1,385	1,462	0	0	0	0	0	0	10,008	
Provincial Mining Duty (\$000)																				
Net Operating Revenue	0	0	0	143,232	108,214	71,739	112,586	155,039	199,144	244,952	207,189	167,819	126,791	219,871	178,091	134,551	233,329	188,991	2,491,538	
- Depreciation Allowance	0	0	0	41,765	88,083	50,996	91,219	41,939	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	383,391	
- Refundable Exploration Credit	12,500	12,750	13,005																38,255	
- Exploration & Development Allowance	0	0	0	81,934	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934	
= Profit before proc all	-12,500	-12,750	-13,005	19,532	20,132	20,743	21,367	113,099	191,060	236,706	198,778	159,240	118,040	210,945	168,986	125,265	233,329	188,991	1,987,958	
- Processing Allowance	0	0	0	12,696	13,086	13,483	13,889	14,302	14,724	15,154	15,593	16,041	16,497	16,963	17,438	17,922	17,922	17,922	233,631	
= Taxable Income	-12,500	-12,750	-13,005	6,836	7,046	7,260	7,478	98,797	176,336	221,551	183,186	143,199	101,543	193,982	151,548	107,342	215,407	171,069	1,754,327	
Provincial Mining Duty	-1,500	-1,530	-1,561	820	846	871	897	11,856	21,160	26,586	21,982	17,184	12,185	23,278	18,186	12,881	25,849	20,528	210,519	

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June 12, 2008

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 20%IRR (NWT), After Tax																				
Quebec																				
Cash Flow from Operations (\$000)																				
Net operating revenue		0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	383,391
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense	1,051	3,699	6,942	8,770	7,159	5,479	3,728	1,903	0	0	0	0	0	0	0	0	0	0	0	38,733
- Fed. Income Tax	0	0	0	0	0	0	0	0	10,972	25,098	31,004	26,016	20,828	15,431	27,540	22,054	16,340	29,199	23,687	248,169
- Provincial Income Tax	0	0	0	0	0	0	0	0	12,541	19,911	24,596	20,639	16,524	12,242	21,848	17,496	12,963	23,165	18,792	200,716
- Provincial Capital Tax	0	195	415	604	674	641	669	777	899	1,045	1,242	1,385	1,462	0	0	0	0	0	0	10,008
- Provincial Mining Tax	0	-1,500	-1,530	-1,561	820	846	871	897	11,856	21,160	26,586	21,982	17,184	12,185	23,278	18,186	12,881	25,849	20,528	210,519
= Net Cash Flow from Operations, After Tax		-101,246	-150,995	-152,162	121,931	88,691	54,010	95,866	104,923	119,335	148,258	124,063	98,890	74,187	133,299	106,633	78,841	149,831	121,084	1,215,441

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June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 20%IRR (NWT), After Tax																				
New Brunswick																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166	
- Normal CCA	0	0	0	0	37,609	55,174	46,425	24,132	5,432	5,902	6,290	6,619	6,903	7,155	7,384	7,596	6,612	5,655	228,888	
- Accelerated CCA	0	0	0	0	0	0	49,773	57,831	0	0	0	0	0	0	0	0	0	0	107,604	
= Resource Profits	0	0	0	139,518	67,196	13,474	12,841	69,056	189,201	234,031	196,207	156,849	115,893	207,736	166,089	122,716	221,432	178,435	2,090,673	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Mining Royalty Deduction	0	0	0	1,061	1,061	3,864	4,713	6,180	32,418	40,397	33,748	26,825	20,256	36,705	29,314	21,612	39,660	32,222	330,036	
- CEE	0	0	0	0	0	0	0	56,127	56,587	0	0	0	0	0	0	0	0	0	112,713	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	8,965	7,318	5,601	3,811	1,945	0	0	0	0	0	0	0	0	0	0	27,642	
= Net Profit	0	0	0	129,492	58,816	4,010	4,317	4,804	100,197	193,634	162,459	130,024	95,636	171,030	136,775	101,104	181,772	146,214	1,620,282	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	129,492	58,816	4,010	4,317	4,804	100,197	193,634	162,459	130,024	95,636	171,030	136,775	101,104	181,772	146,214	1,620,282	
Basic Federal Income Tax	0	0	0	36,258	15,586	1,042	1,079	1,129	22,043	42,599	35,741	28,605	21,040	37,627	30,091	22,243	39,990	32,167	367,240	
Federal Income Surtax	0	0	0	1,450	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,450	
- Resource Income Tax Reduction	0	0	0	9,064	4,117	281	302	336	7,014	13,554	11,372	9,102	6,695	11,972	9,574	7,077	12,724	10,235	113,420	
- Atlantic ITC	0	0	0	28,322	747	762	777	793	808	825	841	858	875	893	910	929	0	0	38,339	
- Exploration Expense ITC	0	0	0	322	10,722	0	0	0	0	0	0	0	0	0	0	0	0	0	11,044	
Federal Income Tax	0	0	0	0	0	-	0	0	14,221	28,220	23,528	18,646	13,470	24,762	19,606	14,237	27,266	21,932	205,888	
Provincial Income Tax (\$000)																				
Taxable Income (from Federal Calc'n)	0	0	0	129,492	58,816	4,010	4,317	4,804	100,197	193,634	162,459	130,024	95,636	171,030	136,775	101,104	181,772	146,214	1,620,282	
Provincial Income Tax	0	0	0	15,539	7,058	481	518	576	12,024	23,236	19,495	15,603	11,476	20,524	16,413	12,132	21,813	17,546	194,434	
Provincial Capital Tax (\$000)																				
Taxable Capital	44,669	115,081	181,068	261,649	304,955	316,812	368,669	461,260												
Provincial Mining Tax (\$000)																				
Metallic Minerals Royalty																				
Mine Revenue (net of transportation, smelting and further processing costs)	0	0	0	371,391	340,937	309,117	354,711	402,006	451,051	501,897	469,273	435,144	399,462	497,997	461,779	423,913	528,478	490,043	6,437,199	
- Milling costs	0	0	0	150,585	153,597	156,669	159,802	162,998	166,258	169,584	172,975	176,435	179,964	183,563	187,234	190,979	194,798	198,694	2,604,136	
- Processing allowance	0	0	0	12,314	12,314	12,314	12,314	12,314	12,314	12,314	12,314	12,314	12,314	12,314	12,314	12,314	12,314	12,314	184,709	
= Net Revenue	0	0	0	208,492	175,026	140,134	182,595	226,694	272,478	319,999	283,984	246,396	207,185	302,120	262,231	220,620	321,366	279,035	3,648,354	
Metallic minerals royalty	0	0	0	0	0	2,803	3,652	4,534	5,450	6,400	5,680	4,928	4,144	6,042	5,245	4,412	6,427	5,581	65,297	
Mining Tax																				
Net Operating Revenue	0	0	0	143,232	108,214	71,739	112,586	155,039	199,144	244,952	207,189	167,819	126,791	219,871	178,091	134,551	233,329	188,991	2,491,538	
- Exploration Allowance	0	0	0	0	0	0	19,508	0	0	0	0	0	0	0	0	0	0	0	19,508	
- Depreciation Allowance	0	0	0	99,306	69,560	32,599	77,738	103,299	7,173	7,530	7,824	8,076	8,301	8,509	8,708	8,900	5,934	3,956	457,412	
- Financing Allowance	0	0	0	21,268	16,301	14,302	8,705	1,075	1,148	1,205	1,252	1,292	1,328	1,362	1,393	1,424	950	633	73,638	
- Provincial royalties, rental and charges	0	0	0	0	0	2,803	3,652	4,534	5,450	6,400	5,680	4,928	4,144	6,042	5,245	4,412	6,427	5,581	65,297	
- 3rd party royalty, not to the province	0	0	0	3,714	3,409	3,091	3,547	4,020	4,511	5,019	4,693	4,351	0	0	0	0	0	0	36,355	
= Profit before proc all	0	0	0	18,944	18,944	18,944	18,944	22,604	180,863	224,797	187,741	149,171	113,018	203,958	162,745	119,814	220,018	178,821	1,839,329	
- Processing Allowance	0	0	0	12,314	12,314	12,314	12,314	12,314	12,314	12,314	12,314	12,314	12,314	12,314	12,314	12,314	12,314	12,314	184,709	
= Taxable Income for Mining Tax	0	0	0	6,631	6,631	6,631	6,631	10,290	168,550	212,483	175,427	136,858	100,704	191,644	150,431	107,500	207,704	166,507	1,654,621	
Mining tax	0	0	0	1,061	1,061	1,061	1,061	1,646	26,968	33,997	28,068	21,897	16,113	30,663	24,069	17,200	33,233	26,641	264,739	
Provincial Mining Tax	0	0	0	1,061	1,061	3,864	4,713	6,180	32,418	40,397	33,748	26,825	20,256	36,705	29,314	21,612	39,660	32,222	330,036	
Royalty Holder Mining Tax (\$000)																				
Royalty income	0	0	0	3,714	3,409	3,091	3,547	4,020	4,511	5,019	4,693	4,351	0	0	0	0	0	0	36,355	
Mining tax on royalty income	0	0	0	594	545	495	568	643	722	803	751	696	0	0	0	0	0	0	5,817	

Appendix 5a - BaseMetal20.xls

June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 20%IRR (NWT), After Tax																				
New Brunswick																				
Cash Flow from Operations (\$000)																				Total
Net operating revenue		0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	383,391
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense	1,081	3,793	7,101	8,965	7,318	5,601	3,811	1,945	0	0	0	0	0	0	0	0	0	0	0	39,617
- Fed. Income Tax	0	0	0	0	0	-	0	0	14,221	28,220	23,528	18,646	13,470	24,762	19,606	14,237	27,266	21,932	205,888	
- Provincial Income Tax	0	0	0	15,539	7,058	481	518	576	12,024	23,236	19,495	15,603	11,476	20,524	16,413	12,132	21,813	17,546	194,434	
- Provincial Capital Tax	134	345	453	523	305	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,760
- Provincial Mining Tax	0	0	0	1,061	1,061	3,864	4,713	6,180	32,418	40,397	33,748	26,825	20,256	36,705	29,314	21,612	39,660	32,222	330,036	
= Net Cash Flow from Operations, After Tax	-102,715	-152,548	-153,730	106,107	81,594	51,084	92,226	134,391	127,887	139,833	117,315	93,815	68,842	123,974	99,036	73,044	139,306	112,391	1,151,851	

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 20%IRR (NWT), After Tax																				
Nova Scotia																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166	
- Normal CCA	0	0	0	24,628	52,854	50,250	28,552	5,432	5,902	6,290	6,619	6,903	7,155	7,384	7,596	6,612	5,655	5,655	221,834	
- Accelerated CCA	0	0	0	0	0	43,566	71,093	0	0	0	0	0	0	0	0	0	0	0	114,660	
= Resource Profits	0	0	0	139,518	80,177	15,794	15,223	51,373	189,201	234,031	196,207	156,849	115,893	207,736	166,089	122,716	221,432	178,435	2,090,673	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Mining Royalty Deduction	0	0	0	7,428	6,819	6,182	7,094	15,105	23,110	30,946	25,949	20,504	14,664	28,838	22,711	16,271	31,568	25,254	282,444	
- CEE	0	0	0	0	0	0	0	29,518	83,195	0	0	0	0	0	0	0	0	0	112,713	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	8,966	7,319	5,602	3,812	1,945	0	0	0	0	0	0	0	0	0	0	27,644	
= Net Profit	0	0	0	123,124	66,039	4,010	4,317	4,804	82,896	203,085	170,257	136,345	101,229	178,898	143,377	106,446	189,864	153,181	1,667,872	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	123,124	66,039	4,010	4,317	4,804	82,896	203,085	170,257	136,345	101,229	178,898	143,377	106,446	189,864	153,181	1,667,872	
Basic Federal Income Tax	0	0	0	34,475	17,500	1,042	1,079	1,129	18,237	44,679	37,457	29,996	22,270	39,358	31,543	23,418	41,770	33,700	377,653	
Federal Income Surtax	0	0	0	1,379	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,379	
- Resource Income Tax Reduction	0	0	0	8,619	4,623	281	302	336	5,803	14,216	11,918	9,544	7,086	12,523	10,036	7,451	13,290	10,723	116,751	
- Atlantic ITC	0	0	0	27,235	1,834	762	777	793	808	825	841	858	875	893	910	929	0	0	38,339	
- Exploration Expense ITC	0	0	0	11,044	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11,044	
Federal Income Tax	0	0	0	0	0	0	-	0	11,626	29,638	24,697	19,594	14,309	25,942	20,596	15,038	28,480	22,977	212,898	
Provincial Income Tax (\$000)																				
Taxable Income (from Federal Calc'n)	0	0	0	123,124	66,039	4,010	4,317	4,804	82,896	203,085	170,257	136,345	101,229	178,898	143,377	106,446	189,864	153,181	1,667,872	
Provincial Income Tax	0	0	0	14,775	7,925	481	518	576	9,948	24,370	20,431	16,361	12,147	21,468	17,205	12,773	22,784	18,382	200,145	
Provincial Capital Tax (\$000)																				
Taxable Capital	49,668	120,080	186,067	260,982	297,373	306,451	355,571	439,017												
Capital Tax	149	330	465	587	595	460	356	220												3,161
Provincial Mining Tax (\$000)																				
Net Revenue Royalty Royalty																				
Mine Revenue (net of transportation, smelting and further processing costs)	0	0	0	371,391	340,937	309,117	354,711	402,006	451,051	501,897	469,273	435,144	399,462	497,997	461,779	423,913	528,478	490,043	6,437,199	
Net revenue royalty	0	0	0	7,428	6,819	6,182	7,094	8,040	9,021	10,038	9,385	8,703	7,989	9,960	9,236	8,478	10,570	9,801	128,744	
Mining Tax																				
Net Operating Revenue	0	0	0	143,232	108,214	71,739	112,586	155,039	199,144	244,952	207,189	167,819	126,791	219,871	178,091	134,551	233,329	188,991	2,491,538	
- Exploration expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Depreciation Allowance	0	0	0	119,551	84,534	48,059	52,237	38,943	29,686	23,254	18,801	15,735	13,639	12,225	11,289	10,688	7,482	5,237	491,360	
= Profit before proc all	0	0	0	23,681	23,681	23,681	60,350	116,095	169,458	221,698	188,388	152,084	113,151	207,646	166,802	123,863	225,847	183,754	2,000,178	
- Processing Allowance	0	0	0	15,392	15,392	15,392	15,392	15,392	15,392	15,392	15,392	15,392	15,392	15,392	15,392	15,392	15,392	15,392	230,886	
= Taxable Income for Mining Tax	0	0	0	8,288	8,288	8,288	44,957	100,703	154,066	206,305	172,996	136,692	97,759	192,253	151,409	108,470	210,455	168,362	1,769,292	
Mining tax	0	0	0	1,243	1,243	1,243	6,744	15,105	23,110	30,946	25,949	20,504	14,664	28,838	22,711	16,271	31,568	25,254	282,444	
Provincial Mining Tax	0	0	0	7,428	6,819	6,182	7,094	15,105	23,110	30,946	25,949	20,504	14,664	28,838	22,711	16,271	31,568	25,254	282,444	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255	
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934	
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	383,391	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	1,082	3,793	7,101	8,966	7,319	5,602	3,812	1,945	0	0	0	0	0	0	0	0	0	0	39,619	
- Fed. Income Tax	0	0	0	0	0	0	-	0	11,626	29,638	24,697	19,594	14,309	25,942	20,596	15,038	28,480	22,977	212,898	
- Provincial Income Tax	0	0	0	14,775	7,925	481	518	576	9,948	24,370	20,431	16,361	12,147	21,468	17,205	12,773	22,784	18,382	200,145	
- Provincial Capital Tax	149	330	465	587	595	460	356	220	0	0	0	0	0	0	0	0	0	0	3,161	
- Provincial Mining Tax	0	0	0	7,428	6,819	6,182	7,094	15,105	23,110	30,946	25,949	20,504	14,664	28,838	22,711	16,271	31,568	25,254	282,444	
= Net Cash Flow from Operations, After Tax	-102,731	-152,533	-153,743	100,440	74,679	48,305	89,489	125,246	141,866	146,732	123,008	98,429	72,925	129,717	103,856	76,943	145,213	117,478	1,185,319	

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 20%IRR (NWT), After Tax																				
Newfoundland & Labrador																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166	
- Normal CCA	0	0	0	0	38,878	57,929	45,411	24,324	5,432	5,902	6,290	6,619	6,903	7,155	7,384	7,596	6,612	5,655	232,090	
- Accelerated CCA	0	0	0	0	0	0	45,962	58,408	0	0	0	0	0	0	0	0	0	0	104,370	
= Resource Profits	0	0	0	139,518	65,927	10,719	17,667	68,287	189,201	234,031	196,207	156,849	115,893	207,736	166,089	122,716	221,432	178,435	2,090,706	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Mining Royalty Deduction	0	0	0	468	546	1,134	9,556	16,818	22,899	30,439	24,672	18,572	12,950	29,871	23,179	16,180	32,201	25,454	264,939	
- CEE	0	0	0	0	0	0	0	44,729	67,970	0	0	0	0	0	0	0	0	0	112,699	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	8,924	7,284	5,575	3,794	1,936	0	0	0	0	0	0	0	0	0	0	27,514	
= Net Profit	0	0	0	130,126	58,097	4,010	4,317	4,804	98,332	203,592	171,535	138,277	102,943	177,865	142,909	106,536	189,232	152,981	1,685,554	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	130,126	58,097	4,010	4,317	4,804	98,332	203,592	171,535	138,277	102,943	177,865	142,909	106,536	189,232	152,981	1,685,554	
Basic Federal Income Tax	0	0	0	36,435	15,396	1,042	1,079	1,129	21,633	44,790	37,738	30,421	22,647	39,130	31,440	23,438	41,631	33,656	381,606	
Federal Income Surtax	0	0	0	1,457	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,457	
- Resource Income Tax Reduction	0	0	0	9,109	4,067	281	302	336	6,883	14,251	12,007	9,679	7,206	12,451	10,004	7,457	13,246	10,709	117,989	
- Atlantic ITC	0	0	0	28,322	747	762	777	793	808	825	841	858	875	893	910	929	0	0	38,339	
- Exploration Expense ITC	0	0	0	462	10,582	0	0	0	0	0	0	0	0	0	0	0	0	0	11,044	
Federal Income Tax	0	0	0	0	0	-	-	-	13,941	29,714	24,889	19,884	14,566	25,787	20,526	15,052	28,385	22,947	215,691	
Provincial Income Tax (\$000)																				
Taxable Income (from Federal Calc'n)	0	0	0	130,126	58,097	4,010	4,317	4,804	98,332	203,592	171,535	138,277	102,943	177,865	142,909	106,536	189,232	152,981	1,685,554	
Provincial Income Tax	0	0	0	18,218	8,134	561	604	673	13,766	28,503	24,015	19,359	14,412	24,901	20,007	14,915	26,492	21,417	235,978	
Provincial Mining Tax (\$000)																				
Net Operating Revenue	0	0	0	143,232	108,214	71,739	112,586	155,039	199,144	244,952	207,189	167,819	126,791	219,871	178,091	134,551	233,329	188,991	2,491,538	
- Exploration Allowance	0	0	0	0	31,023	7,232	0	0	0	0	0	0	0	0	0	0	0	0	38,255	
- Depreciation Allowance	0	0	0	118,237	51,598	31,165	25,298	20,935	17,703	15,318	13,571	12,302	11,393	10,754	10,319	10,038	8,690	6,517	363,839	
- Preproduction Allowance	0	0	0	5,462	5,462	5,462	5,462	5,462	5,462	5,462	5,462	5,462	5,462	5,462	5,462	5,462	5,462	5,462	5,462	
- Provincial royalties, rental and charges	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Profit before proc all	0	0	0	19,532	20,132	27,879	81,826	128,641	175,979	224,171	188,156	150,055	109,935	203,655	162,309	119,050	219,177	177,012	2,007,510	
- Processing Allowance	0	0	0	12,696	13,086	13,483	13,889	14,302	14,724	15,154	15,593	16,041	16,497	16,963	17,438	17,922	17,922	17,922	233,631	
= Net Income	0	0	0	6,836	7,046	14,396	67,938	114,339	161,255	209,017	172,563	134,014	93,438	186,692	144,871	101,128	201,255	159,089	1,773,878	
- 3rd party royalty, not to the province, or	0	0	0	3,714	3,409	3,091	3,547	4,020	4,511	5,019	4,693	4,351	0	0	0	0	0	0	36,355	
- 20% of net income for mining tax	0	0	0	1,367	1,409	2,879	13,588	22,868	32,251	41,803	34,513	26,803	18,688	37,338	28,974	20,226	40,251	31,818	354,776	
= Taxable Income for Pt (a) Mining Tax	0	0	0	3,122	3,637	11,305	54,350	91,471	129,004	167,214	138,051	107,211	74,751	149,354	115,897	80,902	161,004	127,272	1,414,544	
Pt (a) base mining tax	0	0	0	468	546	1,696	8,153	13,721	19,351	25,082	20,708	16,082	11,213	22,403	17,385	12,135	24,151	19,091	212,182	
Prov. corp income tax (for credit)	0	0	0	0	0	561	604	673	13,766	28,503	24,015	19,359	14,412	0	0	0	0	0	0	
- Prov. Income tax credit (max \$2000)	0	0	0	0	0	561	604	673	2,000	2,000	2,000	2,000	2,000	0	0	0	0	0	11,838	
Pt (a) mining tax	0	0	0	468	546	1,134	7,548	13,048	17,351	23,082	18,708	14,082	9,213	22,403	17,385	12,135	24,151	19,091	200,343	
Net income base for Pt (b) mining tax	0	0	0	1,367	1,409	2,879	13,588	22,868	32,251	41,803	34,513	26,803	18,688	37,338	28,974	20,226	40,251	31,818	354,776	
- 3rd party royalty, not to the province	0	0	0	3,714	3,409	3,091	3,547	4,020	4,511	5,019	4,693	4,351	0	0	0	0	0	0	36,355	
= Taxable income for mineral rights tax	0	0	0	0	0	0	10,040	18,848	27,741	36,784	29,220	22,451	18,688	37,338	28,974	20,226	40,251	31,818	322,979	
Pt (b) mining tax	0	0	0	0	0	0	2,008	3,770	5,548	7,357	5,964	4,490	3,738	7,468	5,795	4,045	8,050	6,364	64,596	
Provincial Mining Tax	0	0	0	468	546	1,134	9,556	16,818	22,899	30,439	24,672	18,572	12,950	29,871	23,179	16,180	32,201	25,454	264,939	
(Royalty Holder) Mineral Rights Tax (\$000)																				
Royalty income	0	0	0	3,714	3,409	3,091	3,547	4,020	4,511	5,019	4,693	4,351	0	0	0	0	0	0	36,355	
- Legal expenses, at 20% of income	0	0	0	743	682	618	709	804	902	1,004	939	870	0	0	0	0	0	0	7,271	
- Exploration expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable income for mineral rights tax	0	0	0	2,971	2,727	2,473	2,838	3,216	3,608	4,015	3,754	3,481	0	0	0	0	0	0	29,084	
Provincial Mineral Rights Tax	0	0	0	594	545	495	568	643	722	803	751	696	0	0	0	0	0	0	5,817	

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June 12, 2008

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 20%IRR (NWT), After Tax																				
Newfoundland & Labrador																				
Cash Flow from Operations (\$000)																				Total
Net operating revenue		0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	383,391
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense	1,078	3,780	7,070	8,924	7,284	5,575	3,794	1,936	0	0	0	0	0	0	0	0	0	0	0	39,442
- Fed. Income Tax	0	0	0	0	0	0	-	-	13,941	29,714	24,889	19,884	14,566	25,787	20,526	15,052	28,385	22,947	215,691	
- Provincial Income Tax	0	0	0	18,218	8,134	561	604	673	13,766	28,503	24,015	19,359	14,412	24,901	20,007	14,915	26,492	21,417	235,978	
- Provincial Capital Tax																				0
- Provincial Mining Tax	0	0	0	468	546	1,134	9,556	16,818	22,899	30,439	24,672	18,572	12,950	29,871	23,179	16,180	32,201	25,454	264,939	
= Net Cash Flow from Operations, After Tax	-102,578	-152,190	-153,246	104,586	81,373	53,759	87,314	123,666	135,943	143,031	120,510	97,074	72,117	125,406	100,656	74,878	140,966	114,272	1,167,536	

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 20%IRR (NWT), After Tax Yukon																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166
- Normal CCA	0	0	0	0	70,959	56,092	34,941	21,396	5,535	6,153	6,656	7,074	7,429	7,738	8,013	8,264	8,497	7,533	5,650	261,930
- Accelerated CCA	0	0	0	0	36,057	26,934	49,895	0	0	0	0	0	0	0	0	0	0	0	0	112,886
= Resource Profits	0	0	0	0	68,559	12,656	6,774	37,748	145,483	188,481	233,277	195,423	156,038	115,058	206,878	165,209	121,815	220,511	178,441	2,052,351
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Territorial Mining Royalty Deduction	0	0	0	0	9,708	5,372	1,198	5,619	10,571	15,718	22,766	21,526	16,783	11,840	22,990	17,956	12,710	24,713	19,545	219,014
- CEE	0	0	0	0	0	0	0	28,335	84,364	0	0	0	0	0	0	0	0	0	0	112,699
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest Expense	0	0	0	0	8,924	7,284	5,575	3,794	1,936	0	0	0	0	0	0	0	0	0	0	27,514
= Net Profit	0	0	0	0	49,927	0	0	0	48,612	172,763	210,511	173,896	139,255	103,218	183,888	147,253	109,105	195,798	158,896	1,693,124
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Taxable Income	0	0	0	0	49,927	0	0	0	48,612	172,763	210,511	173,896	139,255	103,218	183,888	147,253	109,105	195,798	158,896	1,693,124
Basic Federal Income Tax	0	0	0	0	13,980	0	0	0	11,424	38,008	46,312	38,257	30,636	22,708	40,455	32,396	24,003	43,076	34,957	376,212
Federal Income Surtax	0	0	0	0	559	0	0	0	0	0	0	0	0	0	0	0	0	0	0	559
- Resource Income Tax Reduction	0	0	0	0	3,495	0	0	0	3,403	12,093	14,736	12,173	9,748	7,225	12,872	10,308	7,637	13,706	11,123	118,519
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense ITC	0	0	0	0	11,044	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11,044
Federal Income Tax	0	0	0	0	0	0	0	0	8,021	25,914	31,577	26,084	20,888	15,483	27,583	22,088	16,366	29,370	23,834	247,209
Territorial Income Tax (\$000)																				
Taxable Income (from Federal Calc'n)	0	0	0	0	49,927	0	0	0	48,612	172,763	210,511	173,896	139,255	103,218	183,888	147,253	109,105	195,798	158,896	1,693,124
Territorial Income Tax	0	0	0	0	7,489	0	0	0	7,292	25,914	31,577	26,084	20,888	15,483	27,583	22,088	16,366	29,370	23,834	253,969
Quartz Mining Act Royalty (\$000)																				
Gross value of metal sales	0	0	0	0	371,391	340,937	309,117	354,711	402,006	451,051	501,897	469,273	435,144	399,462	497,997	461,779	423,913	528,478	490,043	6,437,199
- Post-site product transport costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Smelter & refinery charges	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Net revenue for royalty	0	0	0	0	371,391	340,937	309,117	354,711	402,006	451,051	501,897	469,273	435,144	399,462	497,997	461,779	423,913	528,478	490,043	6,437,199
- Operating costs	0	0	0	0	228,160	232,723	237,377	242,125	246,967	251,907	256,945	262,084	267,325	272,672	278,125	283,688	289,362	295,149	301,052	0
- Current exploration costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Current mine development costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Pre-production Development Allowance	0	0	0	0	8,013	8,013	8,013	8,013	8,013	8,013	8,013	8,013	8,013	8,013	8,013	8,013	8,013	8,013	8,013	120,189
- Depreciation Allowance	0	0	0	0	42,483	43,603	44,746	45,911	47,100	48,313	35,389	7,955	8,114	8,277	8,442	8,611	8,783	7,538	6,268	371,535
- Community Ec Development Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Net Income for Royalty	0	0	0	0	92,736	56,599	18,981	58,662	99,926	142,818	201,550	191,222	151,692	110,501	203,416	161,467	117,755	217,778	174,711	1,999,814
Territorial Mining Royalty	0	0	0	0	9,708	5,372	1,198	5,619	10,571	15,718	22,766	21,526	16,783	11,840	22,990	17,956	12,710	24,713	19,545	219,014
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	383,391
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense	1,078	3,780	7,070	8,924	7,284	5,575	3,794	1,936	0	0	0	0	0	0	0	0	0	0	0	39,442
- Fed. Income Tax	0	0	0	0	0	0	0	0	8,021	25,914	31,577	26,084	20,888	15,483	27,583	22,088	16,366	29,370	23,834	247,209
- Territorial Income Tax	0	0	0	0	7,489	0	0	0	7,292	25,914	31,577	26,084	20,888	15,483	27,583	22,088	16,366	29,370	23,834	253,969
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Territorial Mining Tax	0	0	0	0	9,708	5,372	1,198	5,619	10,571	15,718	22,766	21,526	16,783	11,840	22,990	17,956	12,710	24,713	19,545	219,014
= Net Cash Flow from Operations, After Tax	-102,578	-152,190	-153,246	106,075	84,680	54,256	91,856	115,273	119,002	145,768	120,390	96,329	71,240	127,809	102,237	75,584	144,592	116,877	1,163,953	

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June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 20%IRR (NWT), After Tax																				
Western Australia																				
Australia Federal Corporate Income Tax + Western Australia Base Metal Royalty																				
Federal Income Tax (\$000)																				
Net Operating Revenue		0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166
- Depreciation		20,700	47,844	62,206	45,741	34,259	26,267	20,718	16,880	14,242	12,443	11,233	13,916	11,850	16,021	11,871	17,200	0	0	383,391
- Exploration Expenses		0	0	0	38,255	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Allowable Capital expenditures		0	0	0	8,193	7,374	6,637	5,973	5,376	4,838	4,838	4,838	4,838	4,838	4,838	4,838	4,838	4,838	4,838	81,934
- Interest					20,852	7,284	5,575	3,875	1,978	0	0	0	0	0	0	0	0	0	0	39,565
- Investment Allowance					28,322	747	762	777	793	808	825	841	858	875	893	910	929	0	0	38,339
- State Mining Royalty		0	0	0	18,570	17,047	15,456	17,736	20,100	22,553	25,095	23,464	21,757	19,973	24,900	23,089	21,196	26,424	24,502	321,860
- R&D																				0
= Net Profit		-20,700	-47,844	-62,206	-20,415	38,094	13,951	59,960	105,892	152,193	196,732	162,120	122,098	85,259	168,240	132,765	86,149	196,782	154,751	1,523,822
- Losses Carried Forward		0	0	0	0	38,094	13,951	59,960	39,159	0	0	0	0	0	0	0	0	0	0	151,165
= Taxable Income		0	0	0	0	0	0	0	66,732	152,193	196,732	162,120	122,098	85,259	168,240	132,765	86,149	196,782	154,751	1,523,822
Federal Income Tax		0	0	0	0	0	0	0	20,020	45,658	59,020	48,636	36,629	25,578	50,472	39,829	25,845	59,035	46,425	457,146
State Royalty (\$000)																				
Net Sales (sales - post-site charges)		0	0	0	371,391	340,937	309,117	354,711	402,006	451,051	501,897	469,273	435,144	399,462	497,997	461,779	423,913	528,478	490,043	6,437,199
Royalty		0	0	0	18,570	17,047	15,456	17,736	20,100	22,553	25,095	23,464	21,757	19,973	24,900	23,089	21,196	26,424	24,502	321,860
Cash Flow from Operations (\$000)																				
Net operating revenue		0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166
- Property Acquisition		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense		0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Development Expense		0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
- Capital Plant & Infrastructure		0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	383,391
- Working Capital (withdrawal is -ve)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Contribution to		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest on		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Withdrawal from		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense		1,078	3,780	7,070	8,924	7,284	5,575	3,875	1,978	0	0	0	0	0	0	0	0	0	0	39,565
- Fed. Income Tax		0	0	0	0	0	0	0	20,020	45,658	59,020	48,636	36,629	25,578	50,472	39,829	25,845	59,035	46,425	457,146
- Fed. Large Corp. Tax																				0
- Provincial Capital Tax																				0
- State Mining Royalty		0	0	0	18,570	17,047	15,456	17,736	20,100	22,553	25,095	23,464	21,757	19,973	24,900	23,089	21,196	26,424	24,502	321,860
= Net Cash Flow from Operations, After Tax		-102,578	-152,190	-153,246	104,702	73,005	39,999	79,658	100,995	118,339	147,572	121,986	96,502	68,494	130,593	101,450	73,985	142,586	113,164	1,105,014

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June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 20%IRR (NWT), After Tax																				
South Australia																				
Australia Federal Corporate Income Tax + South Australia Base Metal Royalty																				
Federal Income Tax (\$000)																				
Net Operating Revenue		0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166
- Depreciation		20,700	47,844	62,206	45,741	34,259	26,267	20,718	16,880	14,242	12,443	11,233	13,916	11,850	16,021	11,871	17,200	0	0	383,391
- Exploration Expenses		0	0	0	38,255	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Allowable Capital expenditures		0	0	0	8,193	7,374	6,637	5,973	5,376	4,838	4,838	4,838	4,838	4,838	4,838	4,838	4,838	4,838	4,838	81,934
- Interest		0	0	0	20,852	7,284	5,575	3,794	1,936	0	0	0	0	0	0	0	0	0	0	39,442
- Investment Allowance		0	0	0	28,322	747	762	777	793	808	825	841	858	875	893	910	929	0	0	38,339
- State Mining Royalty		0	0	0	5,571	5,114	4,637	5,321	14,070	15,787	17,566	16,425	15,230	13,981	17,430	16,162	14,837	18,497	17,152	197,779
- R&D		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Net Profit		-20,700	-47,844	-62,206	-7,416	50,026	24,771	72,457	111,963	158,959	204,261	169,160	128,625	91,251	175,710	139,691	92,508	204,709	162,101	1,648,026
- Losses Carried Forward		0	0	0	0	50,026	24,771	63,369	0	0	0	0	0	0	0	0	0	0	0	138,166
= Taxable Income		0	0	0	0	0	0	9,088	111,963	158,959	204,261	169,160	128,625	91,251	175,710	139,691	92,508	204,709	162,101	1,648,026
Federal Income Tax		0	0	0	0	0	0	2,726	33,589	47,688	61,278	50,748	38,588	27,375	52,713	41,907	27,752	61,413	48,630	494,408
State Royalty (\$000)																				
Mine Revenue (sales - post-site charges)		0	0	0	371,391	340,937	309,117	354,711	402,006	451,051	501,897	469,273	435,144	399,462	497,997	461,779	423,913	528,478	490,043	6,437,199
- prescribed costs					<i>already deducted for revenue value</i>															
Proceeds for royalty		0	0	0	371,391	340,937	309,117	354,711	402,006	451,051	501,897	469,273	435,144	399,462	497,997	461,779	423,913	528,478	490,043	6,437,199
Royalty																				
at reduced rate for 1st 5 yr		0	0	0	5,571	5,114	4,637	5,321	0	0	0	0	0	0	0	0	0	0	0	20,642
on remainder		0	0	0	0	0	0	0	14,070	15,787	17,566	16,425	15,230	13,981	17,430	16,162	14,837	18,497	17,152	177,136
Royalty		0	0	0	5,571	5,114	4,637	5,321	14,070	15,787	17,566	16,425	15,230	13,981	17,430	16,162	14,837	18,497	17,152	197,779
Cash Flow from Operations (\$000)																				
Net operating revenue		0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166
- Property Acquisition		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense		0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Development Expense		0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
- Capital Plant & Infrastructure		0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	383,391
- Working Capital (withdrawal is -ve)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Contribution to		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest on		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Withdrawal from		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense		1,078	3,780	7,070	8,924	7,284	5,575	3,794	1,936	0	0	0	0	0	0	0	0	0	0	39,442
- Fed. Income Tax		0	0	0	0	0	0	2,726	33,589	47,688	61,278	50,748	38,588	27,375	52,713	41,907	27,752	61,413	48,630	494,408
- Provincial Income Tax		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Provincial Capital Tax		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- State Mining Royalty		0	0	0	5,571	5,114	4,637	5,321	14,070	15,787	17,566	16,425	15,230	13,981	17,430	16,162	14,837	18,497	17,152	197,779
= Net Cash Flow from Operations, After Tax		-102,578	-152,190	-153,246	117,701	84,938	50,818	89,428	93,497	123,075	152,842	126,913	101,071	72,688	135,822	106,299	78,436	148,135	118,309	1,191,957

Appendix 5a - BaseMetal20.xls

June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 20%IRR (NWT), After Tax Sweden																				
Federal Income Tax (\$000)																				
Net Operating Revenue		0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166
- Depreciation		20,700	47,844	62,206	45,741	34,259	26,267	20,718	16,880	14,242	12,443	11,233	13,916	11,850	16,021	11,871	17,200	0	0	383,391
- Exploration Expenses		0	0	0	38,255	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Allowable Capital expenditures		0	0	0	8,193	7,374	6,637	5,973	5,376	4,838	4,838	4,838	4,838	4,838	4,838	4,838	4,838	4,838	4,838	81,934
- Interest		0	0	0	20,852	7,284	5,575	3,794	1,936	0	0	0	0	0	0	0	0	0	0	39,442
- Investment Allowance		0	0	0	28,322	747	762	777	793	808	825	841	858	875	893	910	929	0	0	38,339
- State Mining Royalty		0	0	0	743	682	618	709	804	902	1,004	939	870	799	996	924	848	1,057	980	12,874
- R&D		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Net Profit		-20,700	-47,844	-62,206	-2,588	54,459	28,789	77,068	125,230	173,843	220,823	184,646	142,985	104,434	192,144	154,930	106,497	222,149	178,273	1,832,931
- Losses Carried Forward		0	0	0	0	54,459	28,789	50,090	0	0	0	0	0	0	0	0	0	0	0	133,338
= Taxable Income		0	0	0	0	0	0	26,978	125,230	173,843	220,823	184,646	142,985	104,434	192,144	154,930	106,497	222,149	178,273	1,832,931
Federal Income Tax		0	0	0	0	0	0	7,554	35,064	48,676	61,830	51,701	40,036	29,241	53,800	43,380	29,819	62,202	49,916	513,221
Royalty (\$000)																				
Mine Revenue (sales - post-site charges)		0	0	0	371,391	340,937	309,117	354,711	402,006	451,051	501,897	469,273	435,144	399,462	497,997	461,779	423,913	528,478	490,043	6,437,199
- prescribed costs					<i>already deducted for revenue value</i>															
Proceeds for royalty		0	0	0	371,391	340,937	309,117	354,711	402,006	451,051	501,897	469,273	435,144	399,462	497,997	461,779	423,913	528,478	490,043	6,437,199
Royalty		0	0	0	743	682	618	709	804	902	1,004	939	870	799	996	924	848	1,057	980	12,874
Cash Flow from Operations (\$000)																				
Net operating revenue		0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166
- Property Acquisition		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense		0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Development Expense		0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
- Capital Plant & Infrastructure		0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	383,391
- Working Capital (withdrawal is -ve)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Contribution to		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest on		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Withdrawal from		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense		1,078	3,780	7,070	8,924	7,284	5,575	3,794	1,936	0	0	0	0	0	0	0	0	0	0	39,442
- Fed. Income Tax		0	0	0	0	0	0	7,554	35,064	48,676	61,830	51,701	40,036	29,241	53,800	43,380	29,819	62,202	49,916	513,221
- Fed. Large Corp. Tax		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Provincial Capital Tax		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- State Mining Royalty		0	0	0	743	682	618	709	804	902	1,004	939	870	799	996	924	848	1,057	980	12,874
= Net Cash Flow from Operations, After Tax		-102,578	-152,190	-153,246	122,529	89,370	54,836	89,212	105,288	136,971	168,852	141,446	113,982	84,005	151,169	120,065	90,359	164,786	133,194	1,358,049
Opening Cash		0	0	-102,578	-254,768	-408,014	-285,485	-196,115	-141,279	-52,067	53,221	190,192	359,044	500,490	614,472	698,477	849,646	969,711	1,060,069	1,224,855

**Medium Scale Base Metal Mine, 20%IRR (NWT), After Tax
USA, Alaska
Royalty: Alaska Mining License Tax and Production Royalty**

Federal Income Tax (\$000)	initial	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Net Revenue	0	0	0	0	371,391	340,937	309,117	354,711	402,006	451,051	501,897	469,273	435,144	399,462	497,997	461,779	423,913	528,478	490,043	6,437,199
- Operating Costs	0	0	0	0	231,874	236,132	240,469	245,672	250,987	256,417	261,964	266,777	271,677	276,667	283,105	288,306	293,601	300,434	305,952	4,010,033
Gross Income	0	0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166
Net assets for depreciation	0																			0
New exploration/acquisition to be amortized	0	12,500	12,750	13,005	0															38,255
Net exploration expense pool	0	10,000	17,700	23,054	15,403	7,752	2,601	0	0	0	0	0	0	0	0	0	0	0	0	76,510
New development to be amortized	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
Net development expense pool	0	16,000	31,584	52,652	36,265	19,878	7,491	0	0	0	0	0	0	0	0	0	0	0	0	163,869
- Depreciation					2,093	5,721	8,397	10,394	11,910	13,454	15,031	15,985	16,304	16,630	16,963	17,302	17,648	15,294	10,961	194,087
- Current exploration expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Amortized exploration expense		2,500	5,050	7,651	7,651	7,651	5,151	2,601	0	0	0	0	0	0	0	0	0	0	0	38,255
- Current development expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Amortized development expense		4,000	8,896	16,387	16,387	16,387	12,387	7,491	0	0	0	0	0	0	0	0	0	0	0	81,934
- Interest Expense		0	0	0	8,271	6,751	5,167	3,516	1,795	0	0	0	0	0	0	0	0	0	0	25,499
- State Income Tax		0	0	0	2,568	4,078	1,988	5,567	9,539	12,683	15,776	13,013	10,195	7,259	13,810	10,819	7,710	14,904	12,160	142,070
- State Mining License Tax		0	0	0	0	0	0	2,727	7,813	10,265	12,814	10,540	8,217	5,750	11,185	8,720	5,901	12,060	9,774	105,768
- State Royalty		0	0	0	3,362	2,376	1,337	2,338	3,348	4,399	5,492	4,517	3,522	2,464	4,794	3,737	2,529	5,169	4,189	53,572
- Environmental Tax		0	0	0	63	26	6	59	114	156	197	166	134	95	181	141	100	194	157	1,789
- Reclamation Reserve Deduction		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Reclamation Reserve Income																				0
Depletable gross income					136,156	102,430	67,311	106,702	147,670	190,234	234,441	197,980	159,946	120,331	210,097	169,736	127,783	222,876	179,902	2,373,594
Net income before depletion					99,125	61,815	34,214	74,346	116,500	153,675	190,622	158,275	125,096	90,597	167,958	132,754	96,424	180,423	146,850	1,828,676
Additions to depletable cost of property	0	81,500	123,930	108,722	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	421,646
Unit cost of additions to depletable property	0																			0
Depletable cost of property	0	81,500	205,430	314,152	321,474	328,943	336,561	344,332	352,258	360,342	368,588	376,999	385,578	394,329	403,255	412,360	421,646	421,646	421,646	290,237
Unreduced cost depletion					13,222	12,444	11,576	13,644	15,902	18,377	21,105	20,409	19,616	18,706	24,307	23,579	22,733	28,340	26,279	219,778
Net depletion pool					291,520	276,454	269,264	253,560	228,998	195,231	151,901	116,756	90,147	72,425	35,130	6,892	0	0	0	0
Cost depletion	0	0	0	0	13,222	12,444	11,576	13,644	15,902	18,377	21,105	20,409	19,616	18,706	24,307	23,579	22,733	28,340	26,279	219,778
% depletion					29,954	22,534	14,808	23,474	32,487	41,852	51,577	43,555	35,188	26,473	46,221	37,342	28,112	49,033	39,578	522,191
- Depletion Allowance					29,954	22,534	14,808	23,474	32,487	41,852	51,577	43,555	35,188	26,473	46,221	37,342	28,112	49,033	39,578	522,191
= Taxable income before sp. dedns		-6,500	-13,946	-24,038	69,170	39,281	19,406	50,872	84,012	111,824	139,045	114,720	89,908	64,124	121,737	95,412	68,312	131,390	107,272	1,262,001
- Losses carried forward		0	0	0	44,484	0	0	0	0	0	0	0	0	0	0	0	0	0	0	44,484
- Losses carried back																				0
cumulative operating losses, prior years		6,500	20,446	44,484	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
cumulative operating losses, future years																				0
= Taxable Income		0	0	0	24,686	39,281	19,406	50,872	84,012	111,824	139,045	114,720	89,908	64,124	121,737	95,412	68,312	131,390	107,272	1,262,001
Regular Federal Income Tax		0	0	0	8,640	13,748	6,792	17,805	29,404	39,138	48,666	40,152	31,468	22,443	42,608	33,394	23,909	45,987	37,545	441,700
Alternative Minimum Tax Calculation																				
Regular taxable income	0	0	0	0	24,686	39,281	19,406	50,872	84,012	111,824	139,045	114,720	89,908	64,124	121,737	95,412	68,312	131,390	107,272	1,262,001
+ excess % depletion		0	0	0	16,732	10,091	3,232	9,831	16,586	23,475	30,472	23,146	15,572	7,767	21,915	13,763	5,380	20,693	13,299	231,954
depreciation claimed above		0	0	0	2,093	5,721	8,397	10,394	11,910	13,454	15,031	15,985	16,304	16,630	16,963	17,302	17,648	15,294	10,961	194,087
net assets for depreciation	0	103,500	270,270	413,845	364,121	269,682	202,430	154,602	120,602	85,723	49,863	32,033	32,674	33,328	33,994	34,674	35,367	23,897	15,676	2,276,282
150% decl bal depreciation					60,708	105,641	78,679	59,485	45,889	47,006	48,230	30,446	12,228	12,473	12,722	12,977	13,236	11,471	8,220	559,410
+ depreciation adjustment		0	0	0	-58,615	-99,920	-70,282	-49,091	-33,979	-33,551	-33,199	-14,461	4,076	4,158	4,241	4,326	4,412	3,824	2,740	-365,324
current expl/mine dev claimed above	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
net expl/mine dev for amortization	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
current expl/mine dev amortized	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ exploration/development adjustment					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
AMTI before current earnings adjustment					-17,197	-50,549	-47,644	11,612	66,619	101,747	136,319	123,405	109,557	76,048	147,892	113,501	78,104	155,906	123,311	1,128,631
+ adj current earnings adjustment					69,270	72,232	52,786	37,463	28,656	28,186	27,755	14,664	1,814	2,733	2,861	3,996	4,836	5,858	7,681	360,790
AMTI before AMT/NOL adjustment					52,073	21,683	5,142	49,075	95,275	129,933	164,073	138,069	111,370	78,781	150,753	117,497	82,939	161,765	130,992	1,489,421
- Losses carried forward		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
cumulative operating losses, prior years		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Medium Scale Base Metal Mine, 20%IRR (NWT), After Tax
USA, Alaska

Royalty: Alaska Mining License Tax and Production Royalty

Alternative minimum taxable income	0	0	0	52,073	21,683	5,142	49,075	95,275	129,933	164,073	138,069	111,370	78,781	150,753	117,497	82,939	161,765	130,992	1,489,421
Tentative alternative minimum tax	0	0	0	10,415	4,337	1,028	9,815	19,055	25,987	32,815	27,614	22,274	15,756	30,151	23,499	16,588	32,353	26,198	297,884
- AMT exemption amount	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Regular income tax	0	0	0	8,640	13,748	6,792	17,805	29,404	39,138	48,666	40,152	31,468	22,443	42,608	33,394	23,909	45,987	37,545	441,700
Alternative minimum tax	0	0	0	1,774	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,774
Environmental Tax																			
Alternative minimum taxable income	0	0	0	52,073	21,683	5,142	49,075	95,275	129,933	164,073	138,069	111,370	78,781	150,753	117,497	82,939	161,765	130,992	1,489,421
+ environmental tax deducted in calcs	0	0	0	63	26	6	59	114	156	197	166	134	95	181	141	100	194	157	1,789
- exemption	0	0	0	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	30
Environmental taxable income	0	0	0	52,133	21,707	5,146	49,132	95,388	130,087	164,268	138,233	111,502	78,874	150,932	117,636	83,037	161,957	131,147	1,491,180
Environmental tax	0	0	0	63	26	6	59	114	156	197	166	134	95	181	141	100	194	157	1,789
Federal Income Tax	0	0	0	10,477	13,774	6,798	17,864	29,519	39,294	48,863	40,318	31,602	22,538	42,789	33,535	24,009	46,181	37,702	445,264

Alaska Income Tax (\$000)

Gross Income	0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166
- Depreciation	0	0	0	2,093	5,721	8,397	10,394	11,910	13,454	15,031	15,985	16,304	16,630	16,963	17,302	17,648	15,294	10,961	194,078
- Current exploration expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Amortized exploration expense	0	2,500	5,050	7,651	7,651	5,151	2,601	0	0	0	0	0	0	0	0	0	0	0	38,255
- Current development expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Amortized development expense	0	4,000	8,896	16,387	16,387	12,387	7,491	0	0	0	0	0	0	0	0	0	0	0	81,934
- Interest Expense	0	0	0	8,271	6,751	5,167	3,516	1,795	0	0	0	0	0	0	0	0	0	0	25,499
- State Income Tax	0	0	0	3,362	2,376	1,337	2,338	3,348	4,399	5,492	4,517	3,522	2,464	4,794	3,737	2,529	5,169	4,189	53,572
- Reclamation Reserve Deduction	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Reclamation Reserve Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Depletable gross income	0	0	0	136,156	102,430	67,311	106,702	147,670	190,234	234,441	197,980	159,946	120,331	210,097	169,736	127,783	222,876	179,902	2,373,594
Net income before depletion	0	0	0	101,755	65,919	36,209	82,700	133,966	176,780	219,470	181,995	143,642	103,701	193,134	152,434	110,135	207,581	168,941	2,078,302
Additions to depletable cost of property	0	81,500	123,930	108,722	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	421,646
Unit cost of additions to depletable property	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Depletable cost of property	0	81,500	205,430	314,152	321,474	328,943	336,561	344,332	352,258	360,342	368,588	376,999	385,578	394,329	403,255	412,360	421,646	421,646	2,078,302
Unreduced cost depletion	0	0	0	11,005	12,947	15,055	17,349	19,853	22,449	25,119	27,849	30,629	33,459	36,339	39,269	42,249	45,279	48,359	303,171
Net depletion pool	0	0	0	291,520	276,454	269,017	253,313	228,752	194,985	151,654	116,510	89,901	72,179	54,890	38,970	24,870	10,930	0	0
Cost depletion	0	0	0	11,005	12,947	15,055	17,349	19,853	22,449	25,119	27,849	30,629	33,459	36,339	39,269	42,249	45,279	48,359	229,393
% depletion	0	0	0	29,954	22,534	14,808	23,474	32,487	41,852	51,577	61,302	71,027	80,752	90,477	100,202	110,000	119,798	129,596	1,511,381
- Depletion Allowance	0	0	0	29,954	22,534	15,055	23,474	32,487	41,852	51,577	61,302	71,027	80,752	90,477	100,202	110,000	119,798	129,596	522,437
- Taxable income before sp. dedns	0	-6,500	-13,946	-24,038	71,801	43,385	21,154	59,225	101,479	134,929	167,833	199,441	228,044	256,652	285,260	313,868	342,476	371,084	1,511,381
- Losses carried forward	0	0	0	44,484	0	0	0	0	0	0	0	0	0	0	0	0	0	0	44,484
- Losses carried back	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
cumulative operating losses, prior years	6,500	20,446	44,484	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
cumulative operating losses, future years	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Alaska taxable income	0	0	0	27,317	43,385	21,154	59,225	101,479	134,929	167,833	199,441	228,044	256,652	285,260	313,868	342,476	371,084	400,000	1,511,381
Regular Alaska income tax	0	0	0	2,568	4,078	1,988	5,567	9,539	12,683	15,776	13,013	10,195	7,259	13,810	10,819	7,710	14,904	12,160	142,070
Alaska Alternative Minimum Tax																			0
Regular Alaska taxable income	0	0	0	27,317	43,385	21,154	59,225	101,479	134,929	167,833	199,441	228,044	256,652	285,260	313,868	342,476	371,084	400,000	1,511,381
+ excess % depletion	0	0	0	16,732	10,091	3,232	9,831	16,586	23,475	30,472	37,469	44,466	51,463	58,460	65,457	72,454	79,451	86,448	231,954
+ depreciation adjustment	0	0	0	-58,615	-99,920	-70,282	-49,091	-33,979	-33,551	-33,199	-32,847	-32,495	-32,143	-31,791	-31,439	-31,087	-30,735	-30,383	-365,324
+ exploration/development adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
AMTI before current earnings adjustment	0	0	0	-14,567	-46,445	-45,896	19,965	84,086	124,852	165,107	147,124	128,102	89,153	173,069	133,181	91,814	183,065	145,403	1,378,011
+ adj current earnings adjustment	0	0	0	67,297	69,154	51,290	31,198	15,556	10,857	6,164	0	0	0	0	0	0	0	0	251,517
AMTI before AMT/NOL adjustment	0	0	0	52,730	22,709	5,394	51,164	99,642	135,709	171,270	147,124	128,102	89,153	173,069	133,181	91,814	183,065	145,403	1,629,528
- AMT/NOL Losses carried forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
cumulative operating losses, prior years	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Alternative minimum taxable income	0	0	0	52,730	22,709	5,394	51,164	99,642	135,709	171,270	147,124	128,102	89,153	173,069	133,181	91,814	183,065	145,403	1,629,528
Tentative alternative minimum tax	0	0	0	1,898	818	194	1,842	3,587	4,886	6,185	5,296	4,612	3,209	6,230	4,794	3,305	6,590	5,234	58,663
- AMT exemption amount	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Regular income tax	0	0	0	2,568	4,078	1,988	5,567	9,539	12,683	15,776	13,013	10,195	7,259	13,810	10,819	7,710	14,904	12,160	142,070
Alternative minimum tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Alaska Income Tax	0	0	0	2,568	4,078	1,988	5,567	9,539	12,683	15,776	13,013	10,195	7,259	13,810	10,819	7,710	14,904	12,160	142,070

**Medium Scale Base Metal Mine, 20%IRR (NWT), After Tax
USA, Alaska
Royalty: Alaska Mining License Tax and Production Royalty**

Alaska Mining License Tax and Production Royalty (\$000)	2,005	2,006	2,007	2,008	2,009	2,010	2,011	2,012	2,013	2,014	2,015	2,016	2,017	2,018	2,019	2,020	2,021	Total		
Alaska Mining License Tax																				
Gross Income	0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166	
- Treatment process deduction																			0	
= Net Income	0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166	
Exploration/development expenses	0	32,500	37,230	50,459	0	0	0	0	0	0	0	0	0	0	0	0	0	0	120,189	
Net exploration/development pool	0	32,500	69,730	120,189	115,251	110,717	106,607	101,890	96,544	90,546	83,872	77,632	71,845	66,534	59,911	53,771	48,134	41,106	34,590	1,381,369
Unit cost of new expl/dev	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Depreciation	0	0	0	2,093	5,721	8,397	10,394	11,910	13,454	15,031	15,985	16,304	16,630	16,963	17,302	17,648	15,294	10,961	194,087	
- Amortized exploration expense				4,939	4,534	4,111	4,717	5,346	5,998	6,674	6,240	5,786	5,312	6,622	6,141	5,637	7,028	6,516	85,599	
= Net income before depletion	0	0	0	132,487	94,550	56,141	93,929	133,763	175,182	218,228	180,272	141,377	100,854	191,306	150,030	107,027	205,723	166,614	2,147,480	
Depletable cost of property	0	81,500	205,430	314,152	321,474	328,943	336,561	344,332	352,258	360,342	368,588	376,999	385,578	394,329	403,255	412,360	421,646	421,646	6,251,039	
Net depletion pool	0	81,500	205,430	314,152	301,051	293,155	289,197	280,962	266,738	246,287	219,367	198,081	182,669	172,713	150,125	133,769	120,323	86,891	59,906	
Cost depletion	0	0	0	13,222	12,444	11,576	13,644	15,902	18,377	21,105	20,409	19,616	18,706	24,307	23,579	22,733	28,340	26,279	290,237	
% depletion				20,423	15,364	10,097	16,005	22,151	28,535	35,166	29,697	23,992	18,050	31,515	25,460	19,167	33,431	26,985	356,039	
- Interest Expense	0	0	0	20,423	15,364	11,576	16,005	22,151	28,535	35,166	29,697	23,992	18,706	31,515	25,460	22,733	33,431	26,985	361,740	
Mining license taxable income	0	0	0	112,063	79,186	44,564	77,923	111,613	146,647	183,062	150,575	117,385	82,148	159,791	124,570	84,294	172,291	139,629	1,785,740	
Alaska mining license tax	0	0	0	0	0	0	2,727	7,813	10,265	12,814	10,540	8,217	5,750	11,185	8,720	5,901	12,060	9,774	105,768	
Production Royalty																				
Net income for production royalty	0	0	0	112,063	79,186	44,564	77,923	111,613	146,647	183,062	150,575	117,385	82,148	159,791	124,570	84,294	172,291	139,629	1,785,740	
Alaska Production Royalty	0	0	0	3,362	2,376	1,337	2,338	3,348	4,399	5,492	4,517	3,522	2,464	4,794	3,737	2,529	5,169	4,189	53,572	
Alaska Mining License Tax and Royalty	0	0	0	3,362	2,376	1,337	5,065	11,161	14,665	18,306	15,057	11,738	8,215	15,979	12,457	8,429	17,229	13,963	159,340	
Cash Flow from Operations (\$000)																			Total	
Net operating revenue	0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255	
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934	
- Capital Plant & Infrastructure	0	55,000	96,900	83,232	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	342,626	
- Infrastructure	0	14,000	14,280	12,485	0	0	0	0	0	0	0	0	0	0	0	0	0	0	40,765	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	0	930	3,324	6,444	8,271	6,751	5,167	3,516	1,795	0	0	0	0	0	0	0	0	0	36,197	
- Fed. Income Tax	0	0	0	10,477	13,774	6,798	17,864	29,519	39,294	48,863	40,318	31,602	22,538	42,789	33,535	24,009	46,181	37,702	445,264	
- Provincial Income Tax	0	0	0	2,568	4,078	1,988	5,567	9,539	12,683	15,776	13,013	10,195	7,259	13,810	10,819	7,710	14,904	12,160	142,070	
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Mining Tax	0	0	0	3,362	2,376	1,337	5,065	11,161	14,665	18,306	15,057	11,738	8,215	15,979	12,457	8,429	17,229	13,963	159,340	
= Net Cash Flow	0	-102,430	-151,734	-152,620	107,518	70,357	45,739	69,256	91,079	119,907	148,741	125,697	101,353	76,033	133,387	107,558	80,877	149,731	1,140,715	

Medium Scale Base Metal Mine, 20%IRR (NWT), After Tax
USA, Nevada

Federal Income Tax (\$000)	initial	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Net Revenue	0	0	0	0	371,391	340,937	309,117	354,711	402,006	451,051	501,897	469,273	435,144	399,462	497,997	461,779	423,913	528,478	490,043	6,437,199
- Operating Costs	0	0	0	0	231,874	236,132	240,469	245,672	250,987	256,417	261,964	266,777	271,677	276,667	283,105	288,306	293,601	300,434	305,952	4,010,033
Gross Income	0	0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166
Net assets for depreciation	0																			0
New exploration/acquisition to be amortized	0	12,500	12,750	13,005	0															38,255
Net exploration expense pool	0	10,000	17,700	23,054	15,403	7,752	2,601	0	0	0	0	0	0	0	0	0	0	0	0	76,510
New development to be amortized	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
Net development expense pool	0	16,000	31,584	52,652	36,265	19,878	7,491	0	0	0	0	0	0	0	0	0	0	0	0	163,869
- Depreciation					2,093	5,721	8,397	10,394	11,910	13,454	15,031	15,985	16,304	16,630	16,963	17,302	17,648	15,294	10,961	194,087
- Current exploration expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Amortized exploration expense		2,500	5,050	7,651	7,651	7,651	5,151	2,601												38,255
- Current development expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Amortized development expense		4,000	8,896	16,387	16,387	16,387	12,387	7,491	0	0	0	0	0	0	0	0	0	0	0	81,934
- Interest Expense		0	0	0	8,271	6,751	5,167	3,516	1,795	0	0	0	0	0	0	0	0	0	0	25,499
- State Income Tax		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- State Mining License Tax		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- State Royalty		0	0	0	49	4,364	2,594	4,648	6,777	8,985	11,275	9,425	7,494	5,478	10,098	8,041	5,895	10,823	8,665	104,611
- Environmental Tax		0	0	0	64	27	7	61	119	163	205	172	149	103	201	155	106	213	169	1,914
- Reclamation Reserve Deduction	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Reclamation Reserve Income																				0
Depletable gross income					139,469	100,441	66,054	104,392	144,241	185,648	228,658	193,071	155,974	117,318	204,793	165,432	124,417	217,221	175,426	2,322,555
Net income before depletion					105,004	63,903	34,945	80,329	130,418	172,032	213,422	176,914	139,520	100,585	187,629	147,975	106,663	201,714	164,296	2,025,349
Additions to depletable cost of property	0	81,500	123,930	108,722	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	421,646
Unit cost of additions to depletable property	0																			0
Depletable cost of property	0	81,500	205,430	314,152	321,474	328,943	336,561	344,332	352,258	360,342	368,588	376,999	385,578	394,329	403,255	412,360	421,646	421,646	421,646	421,646
Unreduced cost depletion					13,222	12,444	11,576	13,644	15,902	18,377	21,105	20,409	19,616	18,706	24,307	23,579	22,733	28,340	26,279	290,237
Net depletion pool					290,791	276,163	269,249	254,054	230,246	197,488	155,430	121,365	95,630	78,571	42,442	15,152	0	0	0	0
Cost depletion	0	0	0	0	13,222	12,444	11,576	13,644	15,902	18,377	21,105	20,409	19,616	18,706	24,307	23,579	15,152	0	0	228,037
% depletion					30,683	22,097	14,532	22,966	31,733	40,843	50,305	42,476	34,314	25,810	45,055	36,395	27,372	47,789	38,594	510,962
- Depletion Allowance					30,683	22,097	14,532	22,966	31,733	40,843	50,305	42,476	34,314	25,810	45,055	36,395	27,372	47,789	38,594	510,962
= Taxable income before sp. dedns		-6,500	-13,946	-24,038	74,321	41,807	20,413	57,362	98,685	131,189	163,117	134,439	105,206	74,774	142,574	111,580	79,291	153,925	125,703	1,469,903
- Losses carried forward		0	0	0	44,484	0	0	0	0	0	0	0	0	0	0	0	0	0	0	44,484
- Losses carried back																				0
cumulative operating losses, prior years		6,500	20,446	44,484	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
cumulative operating losses, future years																				0
= Taxable Income		0	0	0	29,837	41,807	20,413	57,362	98,685	131,189	163,117	134,439	105,206	74,774	142,574	111,580	79,291	153,925	125,703	1,469,903
Regular Federal Income Tax		0	0	0	10,443	14,632	7,145	20,077	34,540	45,916	57,091	47,053	36,822	26,171	49,901	39,053	27,752	53,874	43,996	514,466

**Medium Scale Base Metal Mine, 20%IRR (NWT), After Tax
USA, Nevada**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total		
Alternative Minimum Tax Calculation																				
Regular taxable income	0	0	0	0	29,837	41,807	20,413	57,362	98,685	131,189	163,117	134,439	105,206	74,774	142,574	111,580	79,291	153,925	125,703	1,469,903
+ excess % depletion	0	0	0	0	17,461	9,653	2,956	9,323	15,832	22,466	29,200	22,067	14,698	7,104	20,748	12,817	4,639	19,448	12,315	220,725
depreciation claimed above	0	0	0	0	2,093	5,721	8,397	10,394	11,910	13,454	15,031	15,985	16,304	16,630	16,963	17,302	17,648	15,294	10,961	194,087
net assets for depreciation	0	103,500	270,270	413,845	364,121	269,682	202,430	154,602	120,602	85,723	49,863	32,033	32,674	33,328	33,994	34,674	35,367	23,897	15,676	2,276,282
150% decl bal depreciation	0	0	0	0	60,708	105,641	78,679	59,485	45,889	47,006	48,230	30,446	12,228	12,473	12,722	12,977	13,236	11,471	8,220	559,410
+ depreciation adjustment	0	0	0	0	-58,615	-99,920	-70,282	-49,091	-33,979	-33,551	-33,199	-14,461	4,076	4,158	4,241	4,326	4,412	3,824	2,740	-365,324
current expl/mine dev claimed above	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
net expl/mine dev for amortization	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
current expl/mine dev amortized	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ exploration/development adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
AMTI before current earnings adjustment	0	0	0	0	-11,317	-48,461	-46,913	17,594	80,537	120,103	159,118	142,044	123,981	86,036	167,563	128,722	88,342	177,197	140,757	1,325,304
+ adj current earnings adjustment	0	0	0	0	64,313	70,994	52,446	33,358	18,783	15,175	11,609	1,494	0	0	0	0	0	0	0	268,173
AMTI before AMT/NOL adjustment	0	0	0	0	52,996	22,533	5,532	50,952	99,320	135,278	170,727	143,538	123,981	86,036	167,563	128,722	88,342	177,197	140,757	1,593,478
- Losses carried forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
cumulative operating losses, prior years	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Alternative minimum taxable income	0	0	0	0	52,996	22,533	5,532	50,952	99,320	135,278	170,727	143,538	123,981	86,036	167,563	128,722	88,342	177,197	140,757	1,593,478
Tentative alternative minimum tax	0	0	0	0	10,599	4,507	1,106	10,190	19,864	27,056	34,145	28,708	24,796	17,207	33,513	25,744	17,668	35,439	28,151	318,696
- AMT exemption amount	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Regular income tax	0	0	0	0	10,443	14,632	7,145	20,077	34,540	45,916	57,091	47,053	36,822	26,171	49,901	39,053	27,752	53,874	43,986	514,466
Alternative minimum tax	0	0	0	156	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	156
Environmental Tax																				
Alternative minimum taxable income	0	0	0	52,996	22,533	5,532	50,952	99,320	135,278	170,727	143,538	123,981	86,036	167,563	128,722	88,342	177,197	140,757	1,593,478	
+ environmental tax deducted in calcs	0	0	0	64	27	7	61	119	163	205	172	149	103	201	155	106	213	169	194	1,914
- exemption	0	0	0	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	30
Environmental taxable income	0	0	0	53,057	22,558	5,537	51,011	99,438	135,439	170,931	143,709	124,128	86,138	167,762	128,875	88,446	177,408	140,925	1,595,362	
Environmental tax	0	0	0	64	27	7	61	119	163	205	172	149	103	201	155	106	213	169	194	1,914
Federal Income Tax	0	0	0	10,663	14,659	7,151	20,138	34,659	46,079	57,296	47,226	36,971	26,274	50,102	39,208	27,858	54,087	44,165	516,537	
Nevada Royalty (\$000)																				
Nevada Proceeds of Minerals Tax		2,005	2,006	2,007	2,008	2,009	2,010	2,011	2,012	2,013	2,014	2,015	2,016	2,017	2,018	2,019	2,020	2,021	Total	
Total Mine Revenue				371,391	340,937	309,117	354,711	402,006	451,051	501,897	469,273	435,144	399,462	497,997	461,779	423,913	528,478	490,043	6,437,199	
- Cost of Extraction				228,160	232,723	237,377	242,125	246,967	251,907	256,945	262,084	267,325	272,672	278,125	283,688	289,362	295,149	301,052	3,945,661	
- Production Royalties				3,714	3,409	3,091	3,547	4,020	4,511	5,019	4,693	4,351	3,995	4,980	4,618	4,239	5,285	4,900	64,372	
- Exploration & Development Expenses				120,189	0	0	0	0	0	0	0	0	0	0	0	0	0	0	120,189	
- Depreciation				18,349	17,516	16,764	16,085	15,474	14,924	14,430	13,989	13,595	13,244	12,934	12,660	12,421	11,575	10,794	214,753	
Taxable proceeds				980	87,289	51,884	92,954	135,545	179,710	225,502	188,508	149,873	109,552	201,957	160,812	117,891	216,469	173,297	2,092,224	
Nevada Proceeds of Minerals Tax	0	0	0	49	4,364	2,594	4,648	6,777	8,985	11,275	9,425	7,494	5,478	10,098	8,041	5,895	10,823	8,665	104,611	

**Medium Scale Base Metal Mine, 20%IRR (NWT), After Tax
USA, Nevada**

																			Total	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255	
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934	
- Capital Plant & Infrastructure	0	55,000	96,900	83,232	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	342,626	
- Infrastructure	0	14,000	14,280	12,485	0	0	0	0	0	0	0	0	0	0	0	0	0	0	40,765	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	930	3,324	6,444	8,271	6,751	5,167	3,516	1,795	0	0	0	0	0	0	0	0	0	0	36,197	
- Fed. Income Tax	0	0	0	10,663	14,659	7,151	20,138	34,659	46,079	57,296	47,226	36,971	26,274	50,102	39,208	27,858	54,087	44,165	516,537	
- Provincial Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Capital Tax																				
- Provincial Mining Tax	0	0	0	49	4,364	2,594	4,648	6,777	8,985	11,275	9,425	7,494	5,478	10,098	8,041	5,895	10,823	8,665	104,611	
= Net Cash Flow	0	-102,430	-151,734	-152,620	113,213	71,561	46,117	72,967	99,862	131,485	163,115	137,434	110,423	82,293	145,765	117,120	87,273	163,134	131,261	1,266,241

Appendix 5a - BaseMetal20.xls

June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 20%IRR (NWT), After Tax																				
South Africa Corporate Income Tax + Unrefined Base Metal Royalty																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166	
- Capital Redemption Deduction	0	0	0	165,689	2,598	2,650	2,703	2,757	2,812	2,868	2,926	2,984	3,044	3,105	3,167	3,230	0	0	200,532	
- Exploration Expenses	0	0	0	38,255	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255	
- Allowable Capital expenditures	0	0	0	19,946	18,439	17,092	15,889	14,817	13,863	14,460	15,146	15,945	16,897	18,061	19,545	21,564	21,564	21,564	264,794	
- Interest	0	0	0	8,924	7,284	5,575	3,794	1,936	0	0	0	0	0	0	0	0	0	0	27,514	
- Mining Royalty	0	0	0	14,856	13,637	12,365	14,188	16,080	18,042	20,076	18,771	17,406	15,978	19,920	18,471	16,957	21,139	19,602	257,488	
- R&D	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Net Profit	0	0	0	-108,152	62,846	30,966	72,465	115,428	159,917	202,528	165,654	127,132	86,877	173,806	132,290	88,561	185,341	142,925	1,638,584	
- Losses Carried Forward	0	0	0	0	62,846	30,966	14,339	0	0	0	0	0	0	0	0	0	0	0	108,152	
= Taxable Income	0	0	0	0	0	0	58,125	115,428	159,917	202,528	165,654	127,132	86,877	173,806	132,290	88,561	185,341	142,925	1,638,584	
Federal Income Tax	0	0	0	0	0	0	16,856	33,474	46,376	58,733	48,040	36,868	25,194	50,404	38,364	25,683	53,749	41,448	475,189	
Royalty (\$000)																				
Net Sales (sales - post-site charges)	0	0	0	371,391	340,937	309,117	354,711	402,006	451,051	501,897	469,273	435,144	399,462	497,997	461,779	423,913	528,478	490,043	6,437,199	
State Mining Royalty	0	0	0	14,856	13,637	12,365	14,188	16,080	18,042	20,076	18,771	17,406	15,978	19,920	18,471	16,957	21,139	19,602	257,488	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255	
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934	
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	383,391	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	1,078	3,780	7,070	8,924	7,284	5,575	3,794	1,936	0	0	0	0	0	0	0	0	0	0	39,442	
- Fed. Income Tax	0	0	0	0	0	0	16,856	33,474	46,376	58,733	48,040	36,868	25,194	50,404	38,364	25,683	53,749	41,448	475,189	
- Provincial Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- State Mining Royalty	0	0	0	14,856	13,637	12,365	14,188	16,080	18,042	20,076	18,771	17,406	15,978	19,920	18,471	16,957	21,139	19,602	257,488	
= Net Cash Flow from Operations, After Tax	-102,578	-152,190	-153,246	108,416	76,414	43,090	66,430	91,602	122,131	152,878	127,275	100,614	72,872	135,642	107,533	78,386	153,156	123,041	1,151,467	

Appendix 5a - BaseMetal20.xls

June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 20%IRR (NWT), After Tax																				
Namibia Corporate Income Tax + Base Metal Royalty																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166	
- Capital Redemption Deduction	0	0	0	165,689	2,598	2,650	2,703	2,757	2,812	2,868	2,926	2,984	3,044	3,105	3,167	3,230	0	0	200,532	
- Exploration Expenses	0	0	0	38,255	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255	
- Allowable Capital expenditures	0	0	0	19,946	18,439	17,092	15,889	14,817	13,863	14,460	15,146	15,945	16,897	18,061	19,545	21,564	21,564	21,564	264,794	
- Interest	0	0	0	8,924	7,284	5,575	3,794	1,936	0	0	0	0	0	0	0	0	0	0	27,514	
- Mining Royalty	0	0	0	11,142	10,228	9,273	10,641	12,060	13,532	15,057	14,078	13,054	11,984	14,940	13,853	12,717	15,854	14,701	193,116	
- R&D	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Net Profit	0	0	0	-104,438	66,256	34,058	76,012	119,448	164,427	207,547	170,347	131,484	90,872	178,786	136,908	92,800	190,626	147,825	1,702,956	
- Losses Carried Forward	0	0	0	0	66,256	34,058	4,125	0	0	0	0	0	0	0	0	0	0	0	104,438	
= Taxable Income	0	0	0	0	0	0	71,887	119,448	164,427	207,547	170,347	131,484	90,872	178,786	136,908	92,800	190,626	147,825	1,702,956	
Corporate Income Tax	0	0	0	0	0	0	26,958	44,793	61,660	77,830	63,880	49,306	34,077	67,045	51,340	34,800	71,485	55,435	638,609	
Non-resident tax on dividends	0	0	0	0	0	0	1,029	1,878	2,677	3,440	2,772	2,074	1,344	2,904	2,151	1,358	3,099	2,331	27,056	
Total Corporate Tax	0	0	0	0	0	0	27,986	46,671	64,337	81,270	66,652	51,380	35,421	69,949	53,492	36,159	74,583	57,765	665,665	
Royalty (\$000)																				
Net Sales (sales - post-site charges)	0	0	0	371,391	340,937	309,117	354,711	402,006	451,051	501,897	469,273	435,144	399,462	497,997	461,779	423,913	528,478	490,043	6,437,199	
State Royalty	0	0	0	11,142	10,228	9,273	10,641	12,060	13,532	15,057	14,078	13,054	11,984	14,940	13,853	12,717	15,854	14,701	193,116	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255	
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934	
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	383,391	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	1,078	3,780	7,070	8,924	7,284	5,575	3,794	1,936	0	0	0	0	0	0	0	0	0	0	39,442	
- Fed. Income Tax	0	0	0	0	0	0	27,986	46,671	64,337	81,270	66,652	51,380	35,421	69,949	53,492	36,159	74,583	57,765	665,665	
- Provincial Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- State Mining Royalty	0	0	0	11,142	10,228	9,273	10,641	12,060	13,532	15,057	14,078	13,054	11,984	14,940	13,853	12,717	15,854	14,701	193,116	
= Net Cash Flow from Operations, After Tax	-102,578	-152,190	-153,246	112,130	79,824	46,181	58,847	82,425	108,680	135,360	113,356	90,454	66,640	121,077	97,023	72,149	137,607	111,624	1,025,363	

MineTax by AnalysisWorks

	initial	2,004	2,005	2,006	2,007	2,008	2,009	2,010	2,011	2,012	2,013	2,014	2,015	2,016	2,017	2,018	2,019	2,020	2,021	
Medium Scale Base Metal Mine, 20%IRR (NWT), After Tax Chile																				
Federal Income Tax (\$000)	initial	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Net Operating Revenue	0	0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166
- Depreciation					45,544	47,807	50,144	21,622	22,572	23,550	24,619	25,797	27,112	28,606	10,356	11,454	13,096	11,642	10,124	374,044
- Organization & Setup Deduction					39,015	0	0	0	0	0	0	0	0	0	0	0	0	0	0	39,015
- Development Costs Deduction					15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	0	0	0	0	0	0	0	136,625
- Interest incl. Foreign Debt Charge		0	0	0	21,949	8,004	6,283	4,479	2,599	0	0	0	0	0	0	0	0	0	0	43,314
- R&D																				0
= Net Income	0	0	0	0	17,092	32,757	-4,340	66,045	108,618	153,508	197,387	158,415	136,355	94,190	204,535	162,019	117,216	216,403	173,967	1,834,169
- Prior Years' Losses	0	0	0	0	0	0	0	4,340	0	0	0	0	0	0	0	0	0	0	0	4,340
<i>cumulative operating losses</i>	0	0	0	0	0	0	4,340	0	0	0	0	0	0	0	0	0	0	0	0	4,340
= Taxable Income	0	0	0	0	17,092	32,757	0	61,705	108,618	153,508	197,387	158,415	136,355	94,190	204,535	162,019	117,216	216,403	173,967	1,834,169
First Category Tax	0	0	0	0	2,906	5,569	0	10,490	18,465	26,096	33,556	26,931	23,180	16,012	34,771	27,543	19,927	36,788	29,574	311,809
Taxable Income For Additional Tax	0	0	0	0	17,092	32,757	0	61,705	108,618	153,508	197,387	158,415	136,355	94,190	204,535	162,019	117,216	216,403	173,967	1,834,169
Additional Tax	0	0	0	0	7,179	13,758	0	25,916	45,619	64,473	82,903	66,534	57,269	39,560	85,905	68,048	49,231	90,889	73,066	770,351
First Category Tax Credit	0	0	0	0	2,906	5,569	0	10,490	18,465	26,096	33,556	26,931	23,180	16,012	34,771	27,543	19,927	36,788	29,574	311,809
Net Additional Tax	0	0	0	0	4,273	8,189	0	15,426	27,154	38,377	49,347	39,604	34,089	23,548	51,134	40,505	29,304	54,101	43,492	458,542
Total Income Tax	0	0	0	0	7,179	13,758	0	25,916	45,619	64,473	82,903	66,534	57,269	39,560	85,905	68,048	49,231	90,889	73,066	770,351
Mining Activities Tax (\$000)																				
Revenue from Mineral Sales	0	0	0	0	371,391	340,937	309,117	354,711	402,006	451,051	501,897	469,273	435,144	399,462	497,997	461,779	423,913	528,478	490,043	6,437,199
- Operating Costs	0	0	0	0	231,874	236,132	240,469	245,672	250,987	256,417	261,964	266,777	271,677	276,667	283,105	288,306	293,601	300,434	305,952	4,010,033
- Depreciation					45,544	47,807	50,144	21,622	22,572	23,550	24,619	25,797	27,112	28,606	10,356	11,454	13,096	11,642	10,124	374,044
- Organization & Setup Deduction					39,015	0	0	0	0	0	0	0	0	0	0	0	0	0	0	39,015
- Development Costs Deduction					15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	0	0	0	0	0	0	0	136,625
= Net Income	0	0	0	0	39,041	40,761	1,943	70,524	111,217	153,508	197,387	158,415	136,355	94,190	204,535	162,019	117,216	216,403	173,967	1,877,483
- Prior Years' Losses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<i>cumulative operating losses</i>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Taxable Income	0	0	0	0	39,041	40,761	1,943	70,524	111,217	153,508	197,387	158,415	136,355	94,190	204,535	162,019	117,216	216,403	173,967	1,877,483
Net Mining Activities Tax	0	0	0	0	1,952	2,038	97	3,526	5,561	7,675	9,869	7,921	6,818	4,710	10,227	8,101	5,861	10,820	8,698	93,874
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	383,391
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense	1,078	3,780	7,070	8,924	7,284	5,575	3,794	1,936	0	0	0	0	0	0	0	0	0	0	0	39,442
- Foreign Debt Charge to Central Bank	661	356	80	0	719	708	686	663	0	0	0	0	0	0	0	0	0	0	0	0
- Fed. Income Tax	0	0	0	0	7,179	13,758	0	25,916	45,619	64,473	82,903	66,534	57,269	39,560	85,905	68,048	49,231	90,889	73,066	770,351
- Provincial Income Tax																				0
- Provincial Capital Tax																				
- Provincial Mining Tax	0	0	0	0	1,952	2,038	97	3,526	5,561	7,675	9,869	7,921	6,818	4,710	10,227	8,101	5,861	10,820	8,698	93,874
= Net Cash Flow	0	-103,239	-152,545	-153,327	114,141	73,536	54,650	67,347	89,313	114,400	138,914	119,631	90,801	69,776	109,834	88,219	65,934	126,335	102,327	1,016,047

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 20%IRR (NWT), After Tax																				
Peru																				
Corporate Income Tax + Mining Royalty																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166	
- Exploration Expenses	0	0	0	38,255	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Allowable Capital expenditures	0	0	0	36,515	33,611	31,011	28,687	26,611	24,759	25,675	26,726	27,952	29,410	31,195	33,472	36,567	36,567	36,567	36,567	465,326
- Interest	0	0	0	8,924	7,284	5,575	3,890	1,986	0	0	0	0	0	0	0	0	0	0	0	27,660
- Mining Royalty	0	0	0	0	11,142	10,228	9,273	10,641	12,060	13,532	15,057	14,078	13,054	11,984	14,940	13,853	12,717	15,854	178,415	
- R&D	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Net Profit	0	0	0	55,824	52,768	21,833	67,188	111,780	157,815	200,726	160,714	121,437	80,331	171,712	125,062	79,892	178,760	131,669	1,717,512	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Taxable Income	0	0	0	55,824	52,768	21,833	67,188	111,780	157,815	200,726	160,714	121,437	80,331	171,712	125,062	79,892	178,760	131,669	1,717,512	
Federal Income Tax	0	0	0	16,702	15,788	6,532	20,103	33,445	47,218	60,057	48,086	36,334	24,035	51,376	37,418	23,904	53,485	39,396	513,879	
Royalty (\$000)																				
Net Sales (sales - post-site charges)	0	0	0	371,391	340,937	309,117	354,711	402,006	451,051	501,897	469,273	435,144	399,462	497,997	461,779	423,913	528,478	490,043	6,437,199	
State Mining Royalty	0	0	0	11,142	10,228	9,273	10,641	12,060	13,532	15,057	14,078	13,054	11,984	14,940	13,853	12,717	15,854	14,701	193,116	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	383,391
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense	1,078	3,780	7,070	8,924	7,284	5,575	3,890	1,986	0	0	0	0	0	0	0	0	0	0	0	39,588
- Fed. Income Tax	0	0	0	16,702	15,788	6,532	20,103	33,445	47,218	60,057	48,086	36,334	24,035	51,376	37,418	23,904	53,485	39,396	513,879	
- Provincial Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- State Mining Royalty	0	0	0	11,142	10,228	9,273	10,641	12,060	13,532	15,057	14,078	13,054	11,984	14,940	13,853	12,717	15,854	14,701	193,116	
= Net Cash Flow from Operations, After Tax	-102,578	-152,190	-153,246	95,428	64,036	39,649	66,634	95,602	125,799	156,572	131,922	105,500	78,026	139,649	113,097	84,405	158,705	129,994	1,177,003	

Appendix 5a - BaseMetal20.xls

June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 20%IRR (NWT), After Tax																				
Mexico																				
Mexico Federal Corporate Income Tax, No Royalty																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166	
- Depreciation	0	0	0	99,127	101,741	90,246	7,627	7,779	7,935	8,093	8,255	8,420	8,589	8,761	8,936	9,115	5,982	2,786	383,391	
- Exploration Expenses	0	0	0	24,038	24,038	24,038	24,038	24,038	0	0	0	0	0	0	0	0	0	0	0	
- Interest	0	0	0	20,852	7,284	5,575	3,794	1,936	0	0	0	0	0	0	0	0	0	0	0	
- Investment Allowance	0	0	0	28,322	747	762	777	793	808	825	841	858	875	893	910	929	0	0	0	
= Net Profit	0	0	0	-32,821	-29,005	-51,973	72,804	116,473	185,890	231,015	193,400	154,189	113,332	205,238	163,627	120,269	222,063	181,305	1,845,805	
- Losses Carried Forward	0	0	0	0	0	0	72,804	40,995	0	0	0	0	0	0	0	0	0	0	0	
= Net Profit	0	0	0	0	0	0	0	75,478	185,890	231,015	193,400	154,189	113,332	205,238	163,627	120,269	222,063	181,305	1,845,805	
- Obligatory profit sharing	0	0	0	0	0	0	0	7,548	18,589	23,101	19,340	15,419	11,333	20,524	16,363	12,027	22,206	18,130	184,580	
= Taxable Income	0	0	0	0	0	0	0	67,930	167,301	207,913	174,060	138,770	101,999	184,714	147,264	108,242	199,856	163,174	1,661,224	
Federal Income Tax	0	0	0	0	0	0	0	19,020	46,844	58,216	48,737	38,856	28,560	51,720	41,234	30,308	55,960	45,689	465,143	
Tax on Assets																				
Capital asset base	102,578	254,768	408,014	408,014	408,014	408,014	408,014	408,014	408,014	408,014	408,014	408,014	408,014	408,014	408,014	408,014	408,014	408,014	408,014	6,885,576
Tax on assets	0	0	0	0	0	0	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100	61,202
Total Federal Income and Asset Tax				0	0	0	5,100	19,020	46,844	58,216	48,737	38,856	28,560	51,720	41,234	30,308	55,960	45,689	470,243	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	139,518	104,805	68,648	109,039	151,019	194,634	239,933	202,497	163,467	122,796	214,891	173,473	130,312	228,044	184,091	2,427,166	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	1,078	3,780	7,070	8,924	7,284	5,575	3,794	1,936	0	0	0	0	0	0	0	0	0	0	0	
- Fed. Income Tax	0	0	0	0	0	0	0	19,020	46,844	58,216	48,737	38,856	28,560	51,720	41,234	30,308	55,960	45,689	465,143	
- Provincial Income Tax																				
- Provincial Capital Tax																				
- State Mining Royalty																				
= Net Cash Flow from Operations, After Tax	-102,578	-152,190	-153,246	123,272	90,052	55,454	97,475	122,136	139,705	173,471	145,349	116,032	85,485	154,245	123,135	90,718	172,084	138,402	1,419,001	

Appendix 5b – Analysis Results: Medium Scale Base Metal Mine at 15% IRR

Mining Royalty and Tax Competitiveness Review

Summary Analysis Results: Medium Scale Base Metal Mine, 15%IRR (NWT), After Tax

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Mine Tax
Medium Scale Base Metal Mine Mine Model
15% IRR (NWT), After Tax Profitability Model
 Current tax and royalty rates, including legislated future changes
Summary of Cash Flow and Tax

	CMR royalty		Canadian Comparisons									
	Northwest Territories	Nunavut	British Columbia	Alberta	Saskatchewan	Manitoba	Ontario	Quebec	New Brunswick	Nova Scotia	Newfoundland & Labrador	Yukon
Internal Rate of Return, IRR, at Debt:Total Initial Capital Investment = 50%												
Before Tax IRR, Total Invested Capital Basis	18.5%	18.5%	18.5%	18.5%	18.4%	18.5%	18.5%	18.5%	18.4%	18.4%	18.5%	18.5%
After Tax IRR, Total Invested Capital Basis	15.0%	14.9%	15.2%	15.4%	13.7%	14.6%	15.2%	15.0%	14.3%	14.1%	14.3%	14.3%
Effective Total Royalty + Tax Rate												
By impact on Internal Rate of Return	18.7%	19.0%	17.7%	16.6%	25.6%	21.1%	17.7%	18.7%	22.7%	23.8%	22.3%	22.4%
By NPV royalty / NPV net cash flow before royalty and taxes	15.1%	15.1%	14.7%	12.5%	5.2%	15.3%	13.4%	14.9%	26.2%	26.0%	21.4%	18.3%
By NPV royalty + taxes / NPV net cash flow before r	50.0%	50.7%	48.3%	45.4%	62.1%	54.9%	46.8%	50.7%	57.9%	58.5%	57.0%	57.3%
Total Project Investment Summary: Nominal Dollars (Of-the-Year)												
Capital Investment												
Life-of-Mine Total	503,580,508											
Initial Development to Production	403,408,535											
Mine Revenue (Net Smelter Return)	8,208,366,878											
Federal Income Tax	170,744,302	170,744,302	170,503,277	174,161,605	181,975,844	172,246,763	173,768,003	169,879,617	132,844,820	136,079,233	140,018,139	168,985,361
Terr/Prov Income Tax	136,645,615	142,586,729	129,312,917	119,996,082	152,320,874	156,270,363	113,748,967	139,398,294	136,670,660	139,487,034	166,105,905	176,474,471
Terr/Prov Capital Tax	0	0	0	0	100,580,853	11,527,912	1,669,169	7,818,302	1,639,481	2,644,357	0	0
Mining Tax or Royalty	137,707,258	137,707,258	139,290,358	114,886,546	62,180,678	139,528,514	117,344,246	139,580,052	230,242,303	201,233,250	182,937,022	149,458,247
Net Cash Flow To Mine Project	852,838,925	846,897,811	858,805,820	888,853,178	800,228,222	818,248,129	891,200,709	841,958,665	801,251,777	817,665,896	813,831,276	803,042,742
Total Taxes	445,097,174	451,038,288	439,106,553	409,044,234	497,058,248	479,573,552	406,530,385	456,676,266	501,397,264	479,443,874	489,061,066	494,918,079
Total Project Investment Summary: discounted Present Value, at 10% Real Discount Rate												
Capital Investment												
Life-of-Mine Total	367,749,306											
Initial Development to Production	329,751,216											
Mine Revenue (Net Smelter Return)	2,445,731,903											
Federal Income Tax	48,528,085	48,528,085	48,835,703	49,637,957	52,290,111	49,205,642	49,177,797	48,135,326	35,377,198	35,711,260	37,197,232	47,614,654
Terr/Prov Income Tax	41,126,490	42,914,598	37,626,791	34,741,010	46,435,735	47,419,041	35,530,600	40,149,716	45,731,228	45,913,927	55,066,291	52,729,816
Terr/Prov Capital Tax	0	0	0	0	47,332,550	5,071,142	1,048,992	3,951,278	1,215,397	1,780,372	0	0
Mining Tax or Royalty	38,899,489	38,899,489	37,704,755	32,225,507	13,270,433	39,241,701	34,461,913	38,360,498	67,791,549	66,590,746	55,448,616	46,930,837
Net Cash Flow To Mine Project	128,376,841	126,588,733	132,751,854	140,307,187	97,264,455	115,922,037	136,600,495	126,802,365	108,971,547	106,497,741	111,522,740	109,667,894
Total Taxes	128,554,063	130,342,171	124,167,249	116,604,474	159,328,829	140,937,525	120,219,303	130,596,820	150,115,373	149,996,306	147,712,139	147,275,307
Royalty as proportion of net profit before royalty and tax												
Nominal Dollars	10.6%	10.6%	10.7%	8.9%	4.8%	10.8%	9.0%	10.7%	17.7%	15.5%	14.0%	11.5%
Net Present Value	15.1%	15.1%	14.7%	12.5%	5.2%	15.3%	13.4%	14.9%	26.2%	26.0%	21.4%	18.3%
Total Tax + Royalty as proportion of net profit before royalty and tax												
Nominal Dollars	34.3%	34.8%	33.8%	31.5%	38.3%	37.0%	31.3%	35.2%	38.5%	37.0%	37.5%	38.1%
Net Present Value	50.0%	50.7%	48.3%	45.4%	62.1%	54.9%	46.8%	50.7%	57.9%	58.5%	57.0%	57.3%

Mine Tax

Medium Scale Base Metal Mine

15%IRR (NWT), After Tax

Current tax and royalty rates, including legis

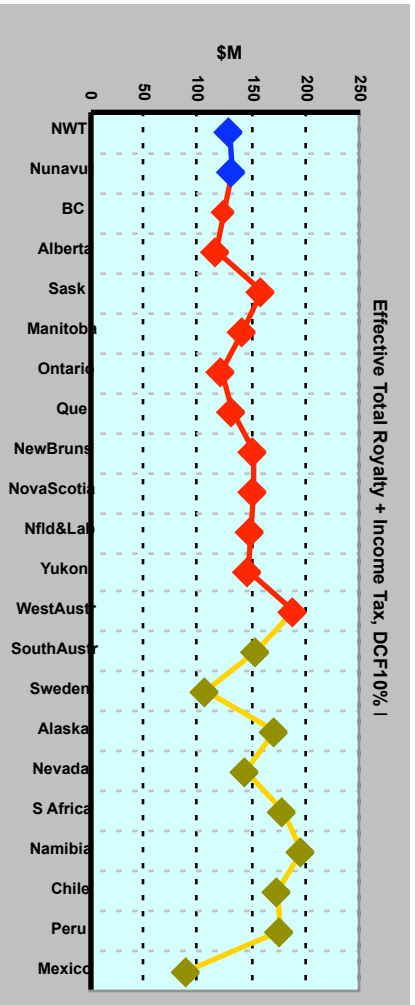
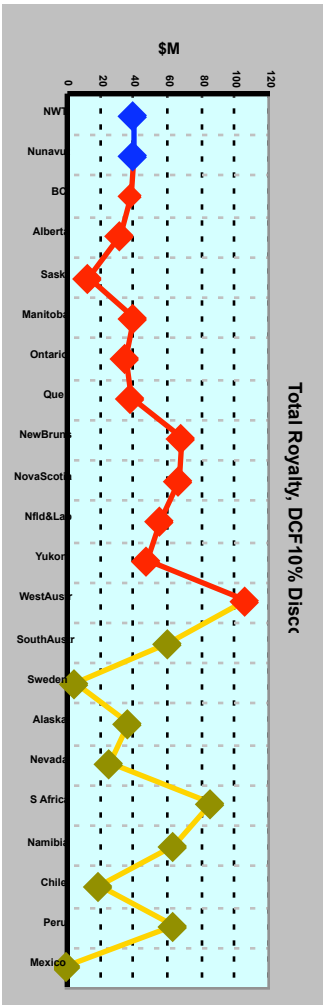
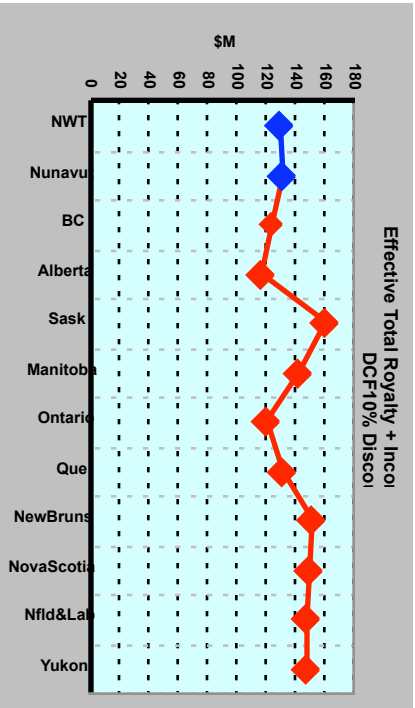
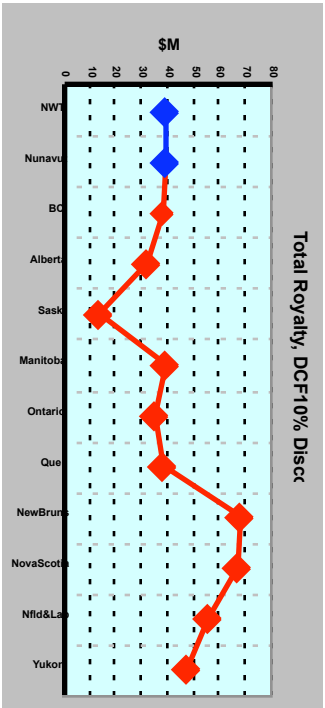
Summary of Cash Flow and Tax

International Comparisons										
	Western Australia	South Australia	Sweden	USA, Alaska	USA, Nevada	South Africa	Namibia	Chile	Peru	Mexico
Internal Rate of Return, IRR, at Debt:Total Initial C										
Before Tax IRR, Total Invested Capital Basis	18.4%	18.5%	18.5%	18.6%	18.6%	18.4%	18.4%	18.4%	18.4%	18.5%
After Tax IRR, Total Invested Capital Basis	12.7%	14.1%	15.7%	13.4%	14.4%	13.0%	12.4%	13.4%	13.0%	16.2%
Effective Total Royalty + Tax Rate										
By impact on Internal Rate of Return	31.0%	23.5%	15.0%	27.6%	22.4%	29.3%	32.6%	27.1%	29.4%	12.2%
By NPV royalty / NPV net cash flow before royalty at	41.5%	23.1%	1.7%	14.3%	9.7%	33.1%	24.8%	7.7%	24.9%	0.0%
By NPV royalty + taxes / NPV net cash flow before ri	73.0%	59.3%	41.0%	66.0%	55.1%	69.4%	76.5%	68.0%	68.8%	34.9%
Total Project Investment Summary: Nominal Doll										
Capital Investment										
Life-of-Mine Total										
Initial Development to Production										
Mine Revenue (Net Smelter Return)										
Federal Income Tax	289,800,576	323,920,665	349,410,205	315,592,859	364,789,763	311,781,960	442,356,651	524,043,743	343,160,345	317,424,671
Terr/Prov Income Tax	0	0	0	99,480,591	0	0	0	0	0	0
Terr/Prov Capital Tax	0	0	0	0	0	0	0	0	0	0
Mining Tax or Royalty	292,302,002	179,615,851	11,692,080	113,124,838	76,988,095	233,841,601	175,381,201	64,611,749	175,381,201	0
Net Cash Flow To Mine Project	714,540,455	794,153,996	936,822,495	773,199,092	859,574,895	751,400,070	679,666,377	705,170,686	778,486,562	980,536,150
Total Taxes	582,102,578	503,536,516	361,102,285	528,198,288	441,777,858	545,623,561	617,737,852	588,655,492	518,541,546	317,424,671
Total Project Investment Summary: discounted P										
Capital Investment										
Life-of-Mine Total										
Initial Development to Production										
Mine Revenue (Net Smelter Return)										
Federal Income Tax	80,964,081	92,795,842	101,160,078	102,166,547	117,633,797	92,912,319	132,705,037	153,514,376	112,617,634	89,633,213
Terr/Prov Income Tax	0	0	0	31,883,041	0	0	0	0	0	0
Terr/Prov Capital Tax	0	0	0	0	0	0	0	0	0	0
Mining Tax or Royalty	106,240,612	59,440,520	4,249,624	37,016,055	25,240,628	84,992,489	63,744,367	19,474,530	63,744,367	0
Net Cash Flow To Mine Project	69,095,921	104,572,388	151,515,571	88,171,644	116,340,664	78,578,922	60,217,444	81,363,429	80,129,384	167,309,967
Total Taxes	187,204,692	152,236,363	105,409,703	171,065,643	142,874,425	177,904,809	196,449,404	172,988,907	176,362,001	89,633,213
Royalty as proportion of net profit before royalty										
Nominal Dollars	22.5%	13.8%	0.9%	8.7%	5.9%	18.0%	13.5%	5.0%	13.5%	0.0%
Net Present Value	41.5%	23.1%	1.7%	14.3%	9.7%	33.1%	24.8%	7.7%	24.9%	0.0%
Total Tax + Royalty as proportion of net profit bet										
Nominal Dollars	44.9%	38.8%	27.8%	40.6%	33.9%	42.1%	47.6%	45.5%	40.0%	24.5%
Net Present Value	73.0%	59.3%	41.0%	66.0%	55.1%	69.4%	76.5%	68.0%	68.8%	34.9%

Appendix 5b - BaseMetal15.xls

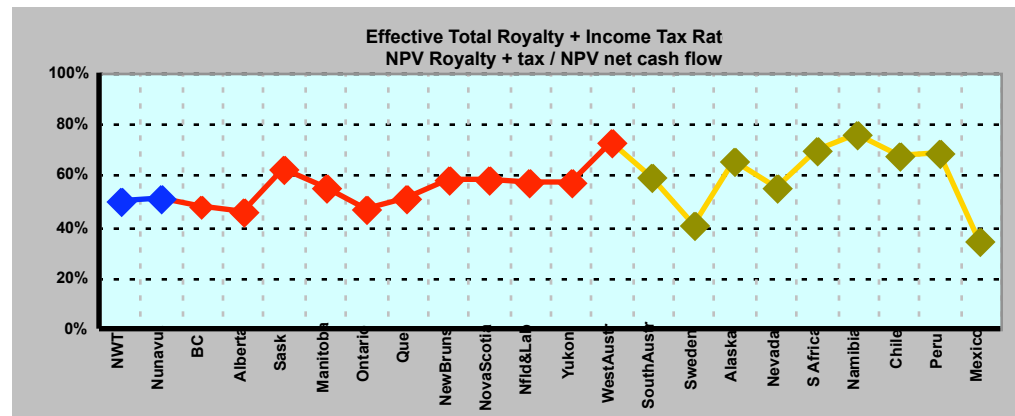
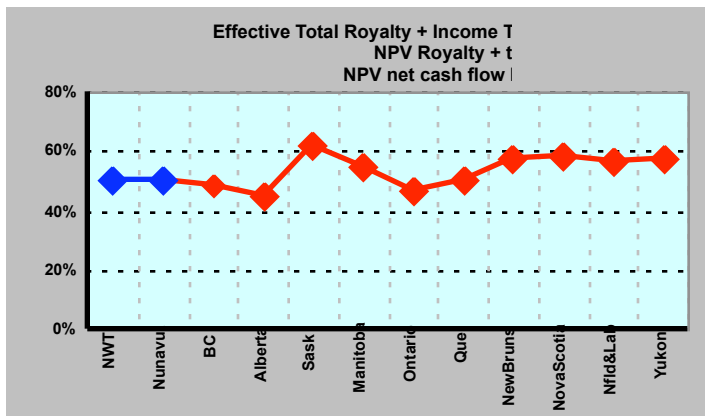
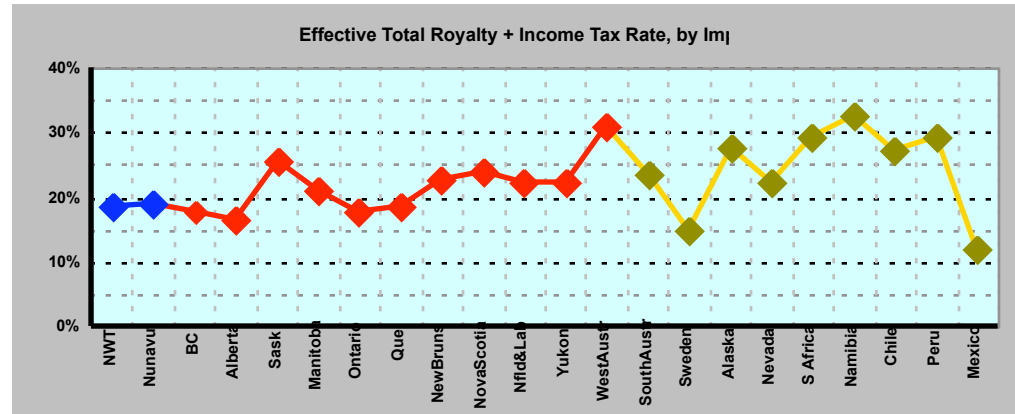
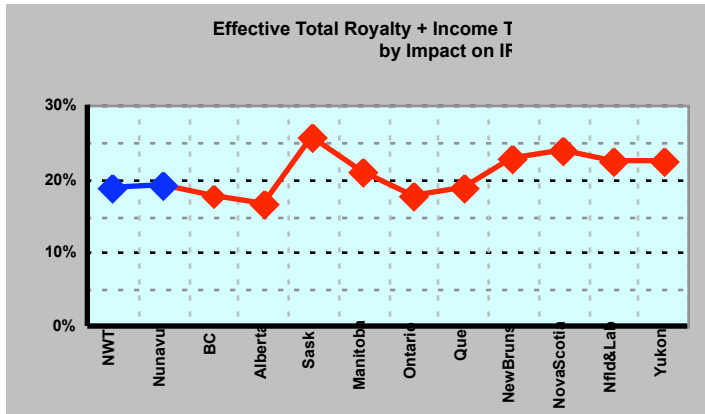
MineTax
 Medium Scale Base Metal Mine, 15%IRR (NWT), After Tax
 Comparative Results Graphs

June 12, 2008



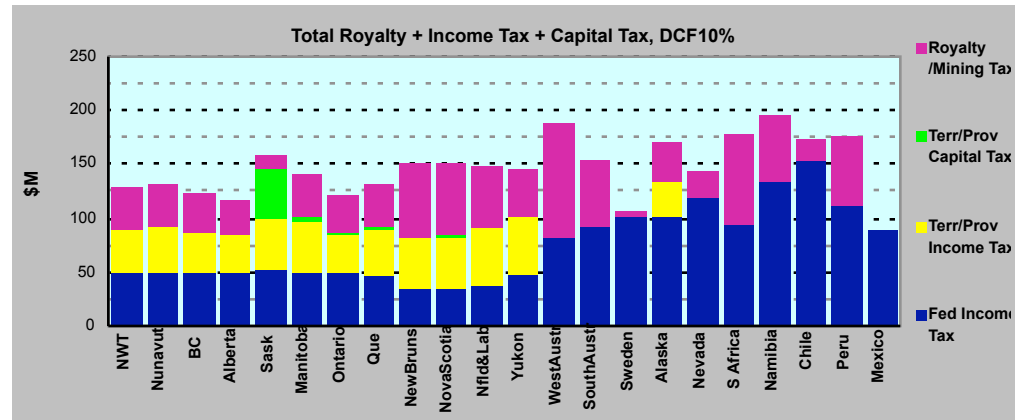
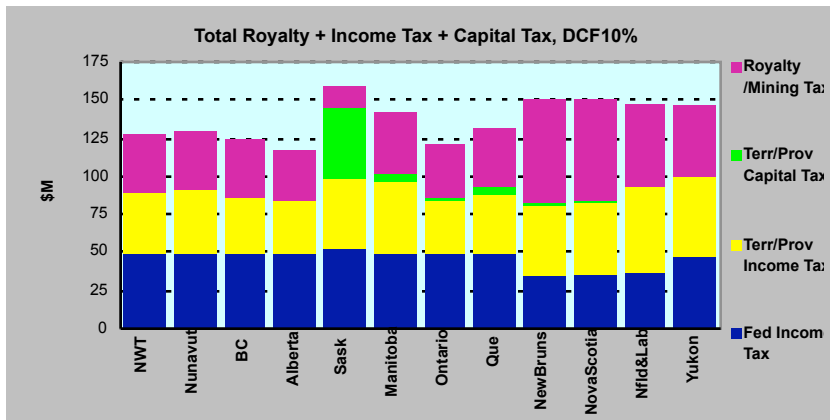
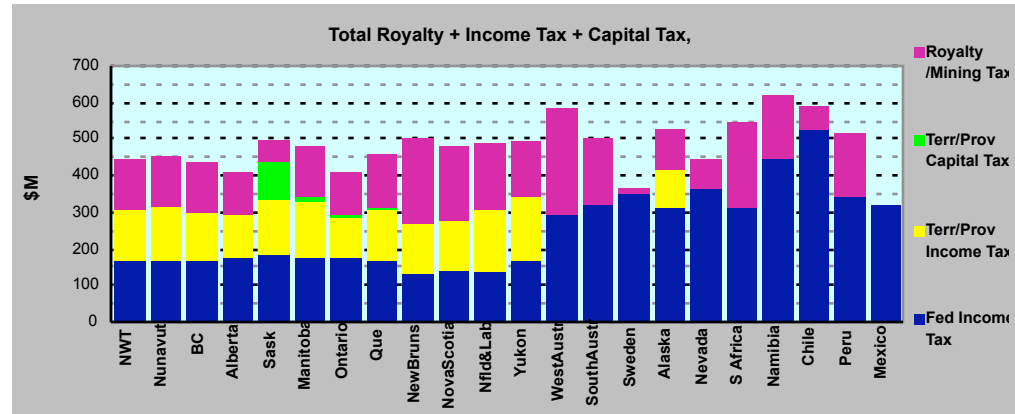
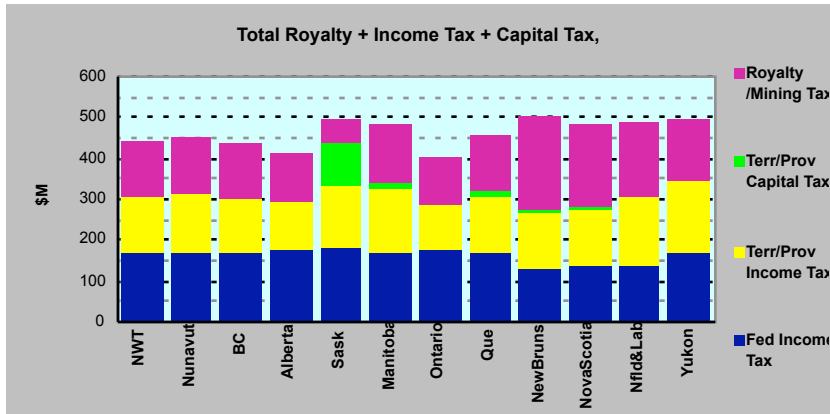
MineTax

Medium Scale Base Metal Mine, 15%IRR (NWT), After Tax
Comparative Results Graphs



MineTax

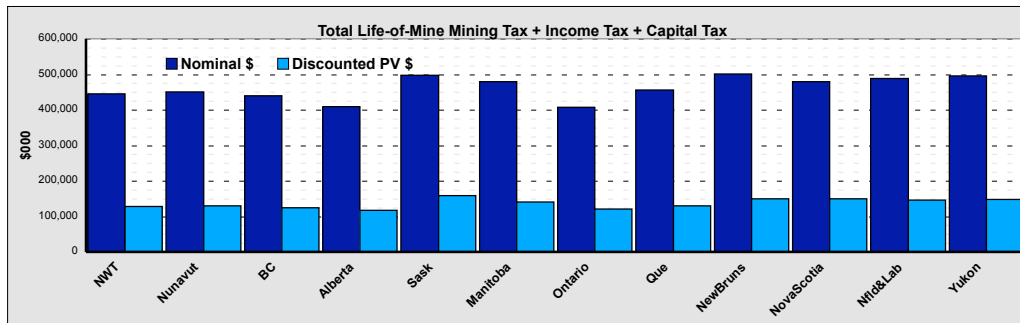
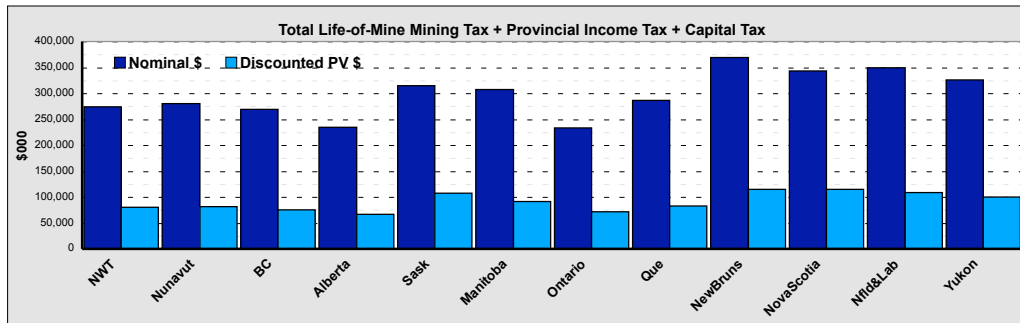
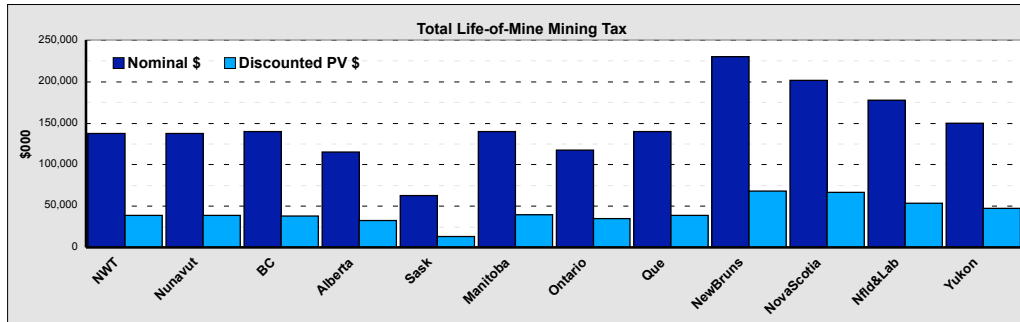
Medium Scale Base Metal Mine, 15%IRR (NWT), After Tax
Comparative Results Graphs



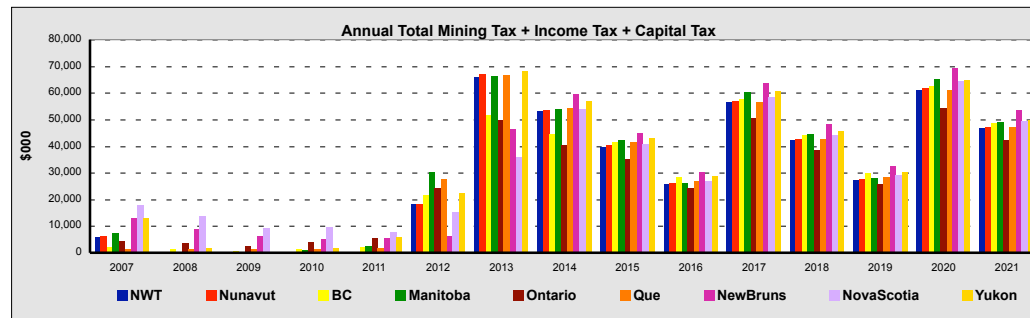
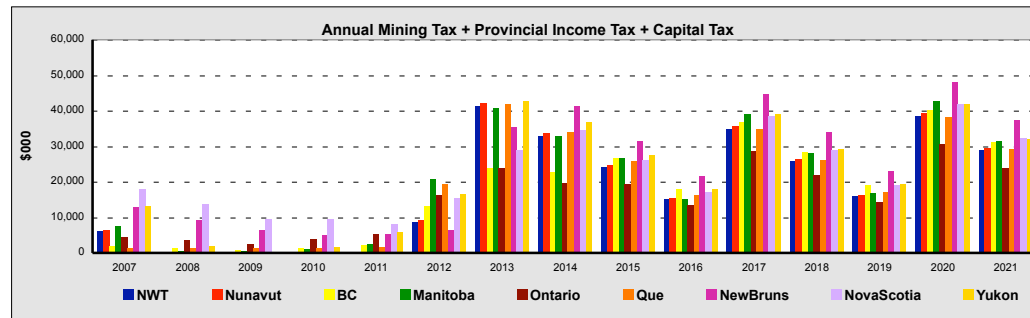
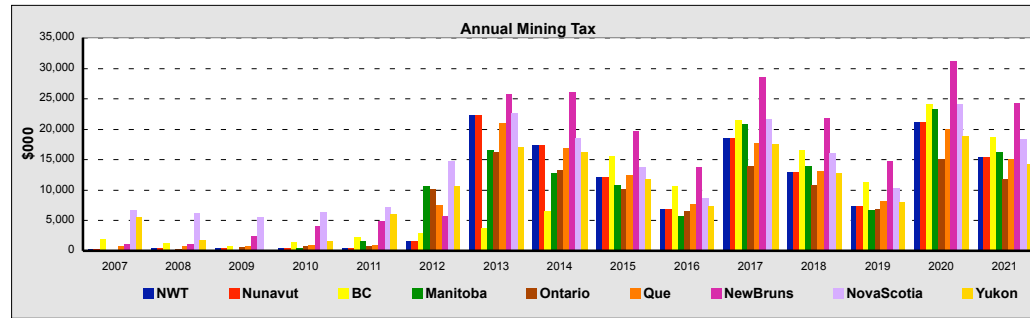
MineTax

Medium Scale Base Metal Mine, 15%IRR (NWT), After Tax

Additional Graphs: Comparative Results and Annual Results -- Canadian Comparisons

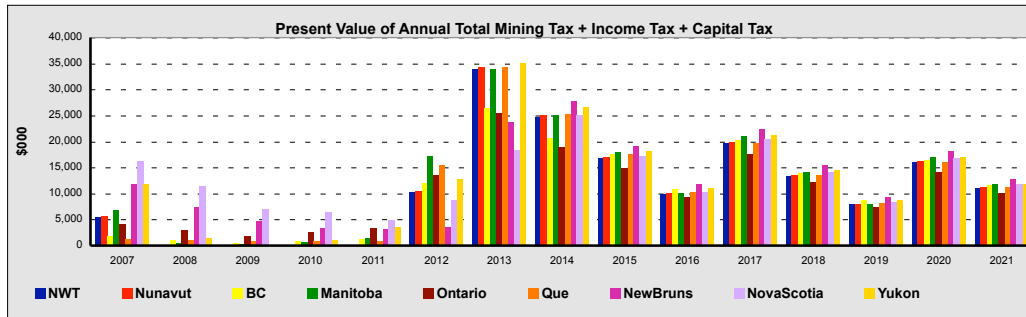
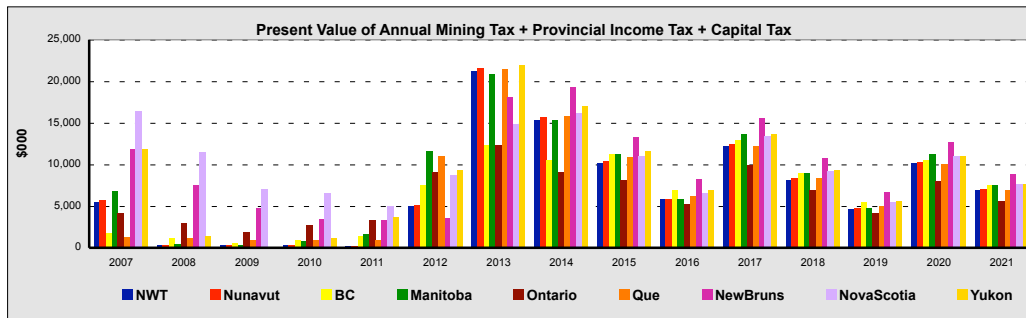
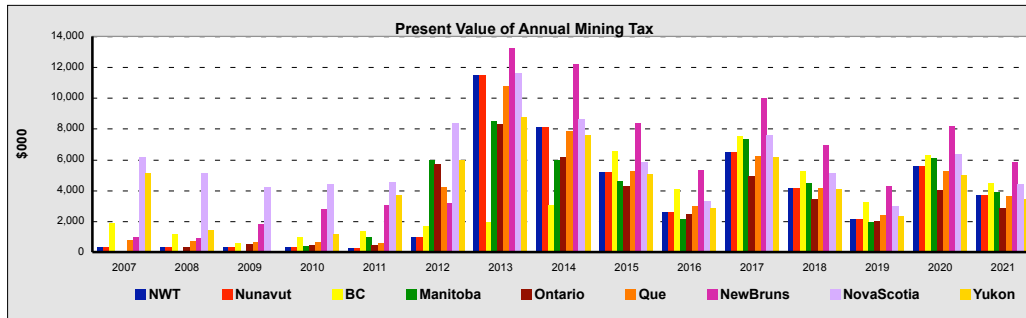


MineTax
 Medium Scale Base Metal Mine, 15%IRR (NWT), After Tax



MineTax

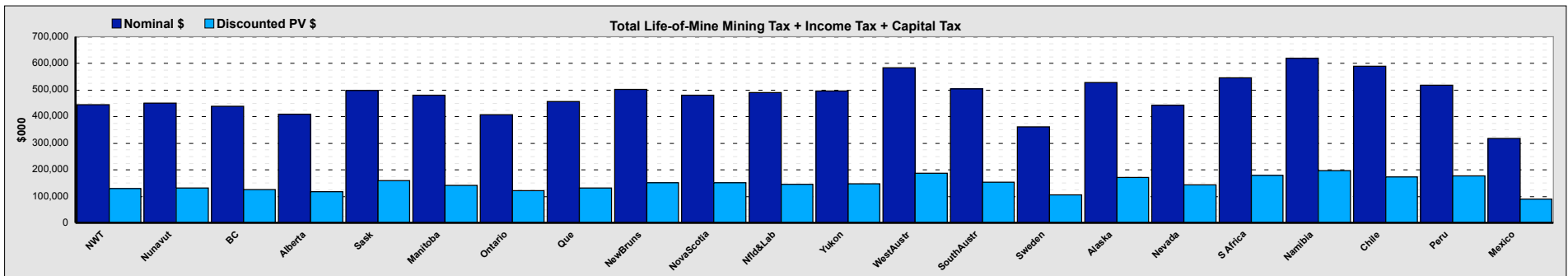
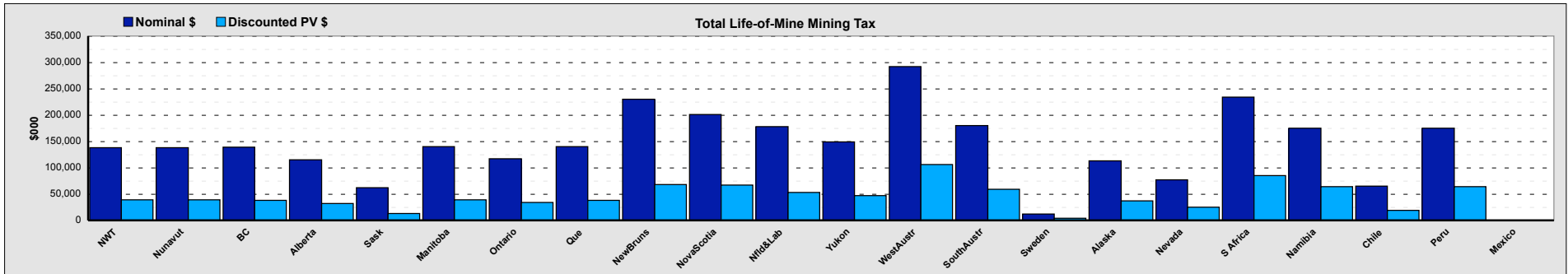
Medium Scale Base Metal Mine, 15%IRR (NWT), After Tax



MineTax

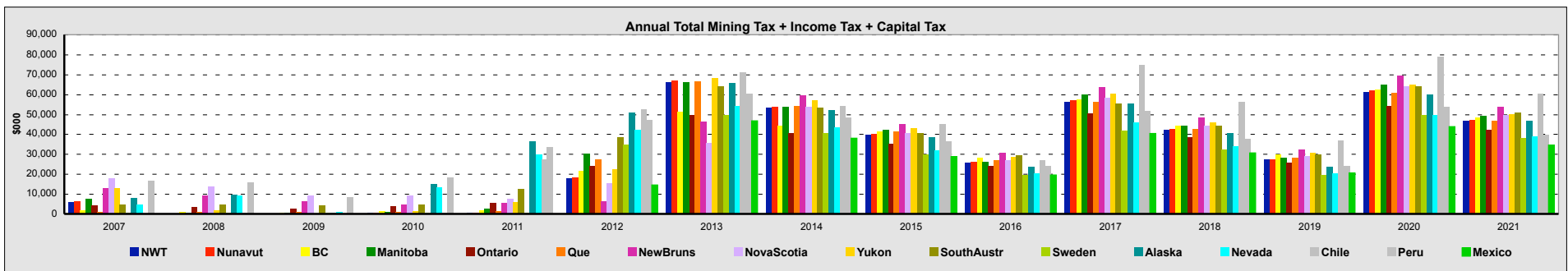
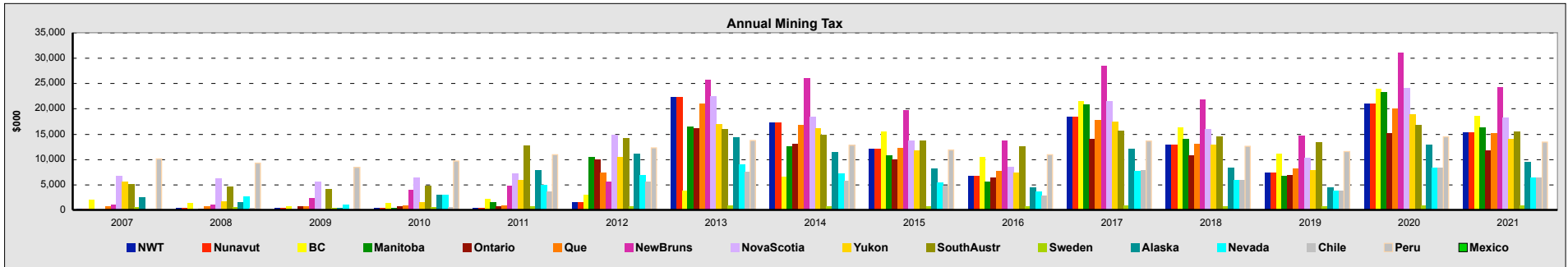
Medium Scale Base Metal Mine, 15%IRR (NWT), After Tax

Additional Graphs: Comparative Results and Annual Results -- International Comparisons



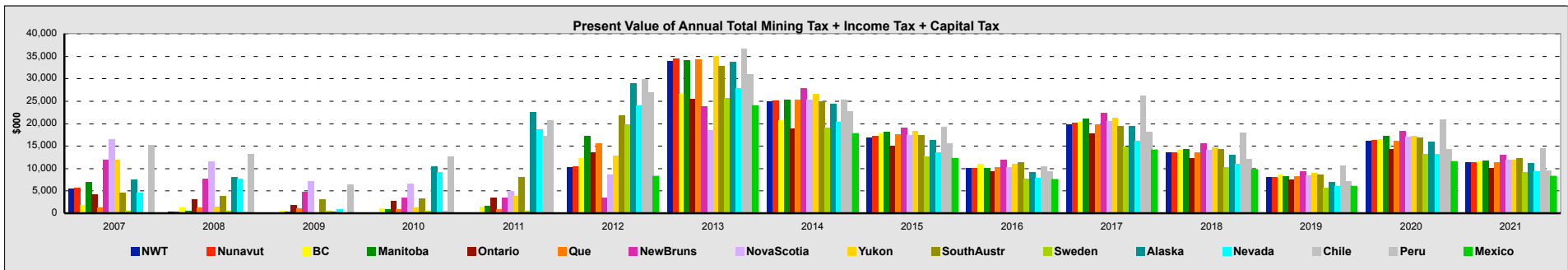
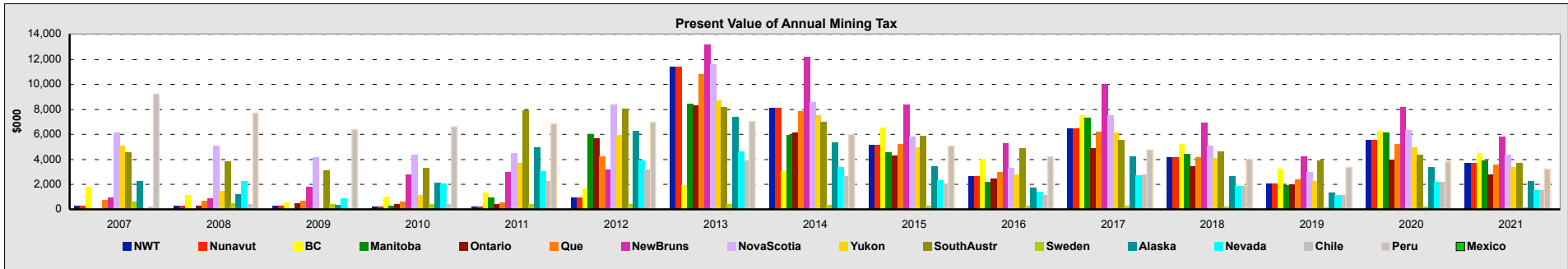
MineTax

Medium Scale Base Metal Mine, 15%IRR (NWT), After Tax



MineTax

Medium Scale Base Metal Mine, 15%IRR (NWT), After Tax



MineTax	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total	
Medium Scale Base Metal Mine, 15%IRR (NWT), After Tax																				
Production Schedule, Capital Investment & Determination of Net Operating Revenue																				
Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total	
Production Schedule																				
Daily mine production (t/d)																				
Annual production days (d)																				
Annual mine production (tonnes)				5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	75,000	
Unit Operating Costs (\$/t ore milled)																				
Mining operations																				
Mining				14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	
Other operating																				
Total mining operations				14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	
Milling operations																				
Milling				28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	
Power																				
Other operating																				
Total milling operations				28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	
Private royalty (% NSR)				1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	
Total operating				43.00	43.00	43.00	43.00	43.00	43.00	43.00	43.00	43.00	43.00	43.00	43.00	43.00	43.00	43.00	43.00	
Revenue and Cost Schedule in \$ Constant (2004)																				
Revenue																				
Value of product sold																				
Mineral/Metal1					317,831,000	286,047,900	254,284,800	286,047,900	317,831,000	349,614,100	381,397,200	349,614,100	317,831,000	286,047,900	349,614,100	317,831,000	286,047,900	349,614,100	317,831,000	
Gross sales					317,831,000	286,047,900	254,284,800	286,047,900	317,831,000	349,614,100	381,397,200	349,614,100	317,831,000	286,047,900	349,614,100	317,831,000	286,047,900	349,614,100	317,831,000	
Post-site costs																				
Transportation																				
Other post-site costs																				
Cutting & polishing charges																				
Marketing costs																				
Total post-site costs				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Mine Revenue				317,831,000	286,047,900	254,284,800	286,047,900	317,831,000	349,614,100	381,397,200	349,614,100	317,831,000	286,047,900	349,614,100	317,831,000	286,047,900	349,614,100	317,831,000	6,356,620	
Operating Costs																				
Mining Operations				73,100,000	73,100,000	73,100,000	73,100,000	73,100,000	73,100,000	73,100,000	73,100,000	73,100,000	73,100,000	73,100,000	73,100,000	73,100,000	73,100,000	73,100,000	73,100,000	
Milling Operations				141,900,000	141,900,000	141,900,000	141,900,000	141,900,000	141,900,000	141,900,000	141,900,000	141,900,000	141,900,000	141,900,000	141,900,000	141,900,000	141,900,000	141,900,000	141,900,000	
Private Royalty				3,178,310	2,860,479	2,542,648	2,860,479	3,178,310	3,496,141	3,813,972	3,496,141	3,178,310	2,860,479	3,496,141	3,178,310	2,860,479	3,496,141	3,178,310	3,178,310	
Total operating				218,178,310	217,860,479	217,542,648	217,860,479	218,178,310	218,496,141	218,813,972	218,496,141	218,178,310	217,860,479	218,496,141	218,178,310	217,860,479	218,496,141	218,178,310	218,178,310	
Net Operating Revenue				99,652,690	68,187,421	36,722,152	68,187,421	99,652,690	131,117,959	162,583,228	131,117,959	99,652,690	68,187,421	131,117,959	99,652,690	68,187,421	131,117,959	99,652,690	3,068,050	
Capital Costs																				
Property Acquisition																				
Exploration	12,500,000	12,500,000	12,500,000																37,500	
Preproduction Development	20,000,000	24,000,000	36,000,000																80,000	
Infrastructure	14,000,000	14,000,000	12,000,000				0	0					0	0					40,000	
Mining Plant and Equipment	40,000,000	20,000,000	20,000,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	0	111,200	
Milling Plant and Equipment	15,000,000	75,000,000	60,000,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	0	208,500	
Working Capital																				
Environmental Reserve																				
contribution																				
interest earned																				
withdrawal																				
balance in reserve																				
Total Capital	101,500,000	145,500,000	140,500,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	0	0	477,200

MineTax	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 15%IRR (NWT), After Tax																			
Production Schedule, Capital Investment & Determination of Net Operating Revenue																			
Revenue and Cost Schedule in \$ Nominal (Dollars-of-the-year)																			
Revenue																			
Value of product sold																			
Mineral/Metal1				337,284,800	309,627,446	280,728,885	322,136,395	365,087,914	409,628,640	455,804,959	426,177,637	395,182,900	362,777,902	452,263,118	419,371,255	384,982,812	479,945,239	445,040,131	6,356,620
Gross sales	0	0	0	337,284,800	309,627,446	280,728,885	322,136,395	365,087,914	409,628,640	455,804,959	426,177,637	395,182,900	362,777,902	452,263,118	419,371,255	384,982,812	479,945,239	445,040,131	8,208.36
Post-site costs																			
Transportation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other post-site costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Smelting & Refining	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Marketing costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total post-site costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Mine Revenue	0	0	0	337,284,800	309,627,446	280,728,885	322,136,395	365,087,914	409,628,640	455,804,959	426,177,637	395,182,900	362,777,902	452,263,118	419,371,255	384,982,812	479,945,239	445,040,131	8,208.36
Operating Costs																			
Mining Operations	0	0	0	77,574,305	79,125,791	80,708,307	82,322,473	83,968,922	85,648,301	87,361,267	89,108,492	90,890,662	92,708,475	94,562,645	96,453,898	98,382,976	100,350,635	102,357,648	1,341.52
Milling Operations	0	0	0	150,585,415	153,597,124	156,669,066	159,802,447	162,996,496	166,258,466	169,583,635	172,975,308	176,434,814	179,963,511	183,562,781	187,234,036	190,978,717	194,798,292	198,694,267	2,604.19
Private Royalty	0	0	0	3,372,848	3,096,274	2,807,289	3,221,364	3,650,879	4,096,286	4,558,050	4,261,776	3,951,829	3,627,779	4,522,631	4,193,713	3,849,628	4,799,452	4,450,401	62,063.1
Total operating	0	0	0	231,532,568	236,819,189	240,184,662	245,346,284	250,616,298	256,003,063	261,502,862	266,345,677	271,277,305	276,299,765	281,648,067	287,481,647	293,711,521	299,948,379	306,502,366	4,027.74
Net Operating Revenue	0	0	0	105,752,232	73,808,257	40,544,223	76,790,111	114,469,617	153,625,577	194,302,088	159,832,060	123,905,595	86,478,137	169,615,061	131,489,608	91,771,291	179,996,860	139,537,824	4,180.62
Capital Costs																			
Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Exploration	12,500,000	12,750,000	13,005,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255.1
Preproduction Development	20,000,000	24,480,000	37,454,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934.4
Infrastructure	14,000,000	14,280,000	12,484,800	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	40,764.4
Mining Plant and Equipment	40,000,000	20,400,000	20,808,000	2,546,899	2,597,837	2,649,794	2,702,790	2,756,846	2,811,983	2,868,222	2,925,587	2,984,098	3,043,780	3,104,656	3,166,749	3,230,084	0	0	118,597.7
Milling Plant and Equipment	15,000,000	76,500,000	62,424,000	4,775,436	4,870,945	4,968,364	5,067,731	5,169,086	5,272,467	5,377,917	5,485,475	5,595,184	5,707,088	5,821,230	5,937,654	6,056,408	0	0	224,028.8
Working Capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest earned	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Balance in reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Capital	101,500,000	148,410,000	146,176,200	7,322,335	7,468,782	7,618,158	7,770,521	7,925,931	8,084,450	8,246,139	8,411,061	8,579,283	8,750,868	8,925,886	9,104,403	9,286,492	0	0	503,580.0
Before Taxes and Financing Cash Flow																			
Total Mine Revenue	0	0	0	337,284,800	309,627,446	280,728,885	322,136,395	365,087,914	409,628,640	455,804,959	426,177,637	395,182,900	362,777,902	452,263,118	419,371,255	384,982,812	479,945,239	445,040,131	8,208.36
Operating Costs	0	0	0	(228,159,720)	(232,722,914)	(237,377,373)	(242,124,920)	(246,967,419)	(251,906,767)	(256,944,902)	(262,083,800)	(267,325,476)	(272,671,986)	(278,125,426)	(283,687,934)	(289,361,693)	(295,148,927)	(301,051,905)	(3,945.66)
Private Royalty	0	0	0	(3,372,848)	(3,096,274)	(2,807,289)	(3,221,364)	(3,650,879)	(4,096,286)	(4,558,050)	(4,261,776)	(3,951,829)	(3,627,779)	(4,522,631)	(4,193,713)	(3,849,628)	(4,799,452)	(4,450,401)	(62,063.1)
Cash Flow from Operations	0	0	0	105,752,232	73,808,257	40,544,223	76,790,111	114,469,617	153,625,577	194,302,088	159,832,060	123,905,595	86,478,137	169,615,061	131,489,608	91,771,291	179,996,860	139,537,824	4,180.62
Capital Costs	(101,500,000)	(148,410,000)	(146,176,200)	(7,322,335)	(7,468,782)	(7,618,158)	(7,770,521)	(7,925,931)	(8,084,450)	(8,246,139)	(8,411,061)	(8,579,283)	(8,750,868)	(8,925,886)	(9,104,403)	(9,286,492)	0	0	(503,580.0)
Working Capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Contribution to Environmental Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawal from Environmental Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Cash Flow	(101,500,000)	(148,410,000)	(146,176,200)	98,429,897	66,339,475	32,926,066	69,019,590	106,543,686	145,541,137	186,055,969	151,420,999	115,326,312	77,727,269	160,689,175	122,385,205	82,484,799	179,996,860	139,537,824	3,677.04
Cumulative Net Cash Flow	(101,500,000)	(249,910,000)	(396,086,200)	(297,656,303)	(231,316,828)	(198,390,762)	(129,371,172)	(22,827,486)	122,713,651	308,769,619	460,190,618	575,516,930	653,244,099	813,933,274	936,318,479	1,018,803,278	1,198,800,138	1,338,337,962	
Net Present Value, Before Taxes and Financing																			
				0.0%	5.0%	7.5%	10.0%	12.5%											
				discount rate (nominal)															
				-2.0%	2.9%	5.4%	7.8%	10.3%											
				discount rate (real)															
NPV (before tax and royalty)	3,677,041,540	1,645,714,720	1,117,143,278	760,260,827	514,463,623														

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General Economic Parameters

	Base	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Base Year, commencement of production	2007																		
Base year for cost inputs	2004																		
Number of years of mine production	15																		
Debt:Total Initial Capital Investment	50%																		
Gov't of Canada long term bond yield	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%
Inflation/Escalation																			
Annual escalation rate for operating costs and value of money	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Operating cost inflation index for the year	1.0000	1.0200	1.0404	1.0612	1.0824	1.1041	1.1262	1.1487	1.1717	1.1951	1.2190	1.2434	1.2682	1.2936	1.3195	1.3459	1.3728	1.4002	
Annual escalation rate for capital costs	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Capital cost inflation index for the year	1.0000	1.0200	1.0404	1.0612	1.0824	1.1041	1.1262	1.1487	1.1717	1.1951	1.2190	1.2434	1.2682	1.2936	1.3195	1.3459	1.3728	1.4002	
Annual escalation rate for base metal prices	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Base metal prices escalation index for the year	1.0000	1.0200	1.0404	1.0612	1.0824	1.1041	1.1262	1.1487	1.1717	1.1951	1.2190	1.2434	1.2682	1.2936	1.3195	1.3459	1.3728	1.4002	
Annual escalation for gold price	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Gold price escalation index for the year	1.0000	1.0200	1.0404	1.0612	1.0824	1.1041	1.1262	1.1487	1.1717	1.1951	1.2190	1.2434	1.2682	1.2936	1.3195	1.3459	1.3728	1.4002	
Annual escalation for silver price	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Silver price escalation index for the year	1.0000	1.0200	1.0404	1.0612	1.0824	1.1041	1.1262	1.1487	1.1717	1.1951	1.2190	1.2434	1.2682	1.2936	1.3195	1.3459	1.3728	1.4002	
\$Canada:\$USA Exchange Rate	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850
Discount rate for discounted cash flow analysis (real)	7.80%																		
Discount rate for discounted cash flow analysis	10.00%																		
Annual interest rate on corporate debt, Cdn business prime rate	4.25%																		

Notes:

Pre-production interest expenses are capitalized.

Debt scheduled for repayment over 5 years or 50% designed mine life, whichever is longer.

Initial development debt repaid out of 90% of after tax cash flow.

Shortfall in meeting annual debt repayment is added to debt, and rescheduled over remaining term.

All expenses after onset of production to be paid from cash flow.

Project Cost Factors

	Base	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Capital cost adjustment factor %	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Operating cost adjustment factor %	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

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Canadian & International Fiscal Parameters

Current tax and royalty rates, including legislated future changes

Canadian Fiscal Parameters	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Federal Income Tax																		
Corporate income tax rate	28%	28%	28%	28%	26.5%	26.0%	25.0%	23.5%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%
Resource income tax rate reduction	2%	3%	5%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
Corporate income tax surtax rate	4%	4%	4%	4%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Large corporation tax rate	0.200%	0.175%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Resource Allowance	19%	16%	9%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Accelerated Capital Cost Allowance (ACCA)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Capital Cost Allowance, Class 41a (CCA)	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Canadian Exploration Expense (CEE)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Canadian Development Expense (CDE)	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Atlantic & Gaspé Investment Tax Credit	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Provincial Mining Tax Deduction (federal)	25%	35%	65%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Canadian Exploration Expense Tax Credit	7%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Northwest Territories + Nunavut																		
NWT Corporate income tax rate	14.0%	14.0%	12.8%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
NT Corporate income tax rate	12.0%	12.0%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
CMR Royalty																		
CMR royalty rate (maximum)	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%
for value of output up to \$10,000.	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
for output over \$10,000 to \$5,000,000.	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
increment for each additional \$5,000,000. of output	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
to maximum (for output over \$45,000,000.)	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%
Depreciation allowance	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Exploration & development allowance	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Processing allowance max % of royaltyable income	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%
Processing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
British Columbia																		
Corporate income tax rate	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Preproduction capital gross-up rate	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	0.00%	#REF!	#REF!	#REF!	#REF!
Investment allowance rate	3.65%	3.65%	5.39%	5.75%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%
Mining tax part 1 rate	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Mining tax part 2 rate	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%
Alberta (Metallic Minerals, Diamonds)																		
Corporate income tax rate	11.5%	11.5%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Royalty Tax credit rate, average annual	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Royalty Tax credit shelter maximum (\$000)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Mining tax rate, pre-payout	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Mining tax rate, post-payout	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
Capital Allowance	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Processing Allowance rate	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%

Saskatchewan (Gold & Base Metal)

Corporate income tax rate	17.0%	17.0%	15.5%	13.5%	12.5%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Capital tax, base rate	0.6%	0.6%	0.5%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Resource surcharge on capital tax	3.6%	3.6%	3.5%	3.2%	3.1%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Resource surcharge on capital tax _DIAMONDS	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Mining tax rate, initial period	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Mining tax rate, pastthreshold	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Threshold for mining tax increase (\$000)	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000
Preproduction allowance	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%
Depreciation	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Manitoba

Corporate income tax rate	15.0%	15.0%	14.5%	14.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%
Capital tax, base rate	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Capital tax, surtax rate	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Capital deductible amount (\$000)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Capital deductible amount for surtax (\$000)	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Mining tax rate	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%
Special tax rate	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Depreciation allowance rate	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
Investment credit rate	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
Processing allowance rate	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%

Ontario

Corporate income tax rate	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Resource allowance rate	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Capital tax rate	0.300%	0.300%	0.300%	0.285%	0.285%	0.225%	0.150%	0.075%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Capital tax, deductible amount (\$000)	5,000	7,500	10,000	12,500	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Mining tax rate	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Mining tax exemption (annual) (\$000)	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500
Mining tax holiday amount (\$000)	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Mining tax holiday period (yr)	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Remote mines																		
Mining tax rate	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Mining tax holiday amount (\$000)	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Mining tax holiday period (yr)	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Depreciation allowance rate: preprod. mine assets	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Depreciation allowance rate: mine assets	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Depreciation allowance rate: processing and transportation assets	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Processing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Development expense allowance rate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Minimum corporate income tax rate	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
Ontario charitable donation deduction rate				100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Made in Ontario deduction part 2 allowance				15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Made in Ontario deduction part 2 allowance limit rate				20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%

Quebec																	
Corporate income tax rate	8.9%	8.9%	9.9%	9.9%	11.4%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%
Resource allowance rate	25%	25%	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Capital tax rate	0.600%	0.525%	0.490%	0.360%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%
Capital tax, deductible amount (\$000)	600	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Mining duty rate	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
Depreciation allowance rate assets	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Exploration & development expense allowance rate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Processing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
For mines north of 51°																	
Tax Holiday for first production years	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Limit as % of processing assets for the year	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%

New Brunswick																	
Corporate income tax rate	13%	13%	13%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
Capital tax rate	0.300%	0.300%	0.250%	0.200%	0.100%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Capital tax, deductible amount (\$000)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Metallic minerals royalty	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Royalty holiday on initial production (yr)	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Mining tax rate	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%
Depreciation allowance other assets	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%
Depreciation allowance new mine assets	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Minimum depreciation allowance new mine assets	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Exploration expense allowance rate	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%
Processing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Processing allowance maximum of revenue	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Processing allowance maximum of profit	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%
Financing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Income tax credit maximum annual limit (\$000)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000

Nova Scotia																	
Corporate income tax rate	16%	16%	16%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
Capital tax rate, capital between 5M and 10M	0.550%	0.550%	0.500%	0.450%	0.400%	0.300%	0.200%	0.100%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Capital tax rate, capital above 10M	0.300%	0.275%	0.250%	0.225%	0.200%	0.150%	0.100%	0.050%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Capital tax, deductible amount (\$000)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Capital tax, deductible amount 2nd level (\$000)	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Net revenue royalty	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Royalty holiday on initial production (yr)	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Net income royalty	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Depreciation allowance after yr 3	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Depreciation allowance new mine assets, 1st 3 yr	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Minimum depreciation allowance new mine assets	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Exploration expense allowance rate	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%
Processing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Processing allowance gross-up factor on asset value	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Processing allowance maximum of profit	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%
Financing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Income tax credit maximum annual limit (\$000)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000

Newfoundland & Labrador

Corporate income tax rate	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%
Mining tax rate	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Proportion of Net Income subject to Mining Tax	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
Mineral rights tax rate	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
Depreciation allowance Class 1&2 assets	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Depreciation allowance Class 3 assets	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Exploration expense allowance rate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Processing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Processing allowance maximum of income	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%
Income tax credit (10 yr.)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Income tax credit maximum annual limit (\$000)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000

Yukon

Corporate income tax rate	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
QMA Royalty																		
value of output 1	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
value of output 2	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
value of output 3	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
additional value of output increment	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
royalty rate at output 1	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
royalty rate at output 2	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
royalty rate at output 3	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
royalty rate for additional output increment	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Depreciation allowance rate	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%

International Fiscal Parameters, as of 2007

Current tax and royalty rates, including legislated future changes

Australia	
Federal corporate income tax rate	30%
Western Australia	
Base metal ad valorem royalty rate	5%
Tier 1 ad valorem diamond royalty rate	7.5%
Tier 2 net profit diamond royalty rate	22.5%
South Australia	
Base metal ad valorem royalty rate	3.5%
Reduced ad valorem royalty rate	1.5%
Reduced ad valorem royalty term (yr)	5
Sweden	
Corporate income tax rate	28%
Ad valorem minerals royalty	
to land owner	0.15%
to state	0.05%
total	0.20%
USA	
Federal corporate income tax rate	35%
Alternative minimum tax rate	20%
Environmental tax rate	0.12%
Alaska	
State corporate income tax rate	9.4%
Alternative minimum tax rate	18%
Mining license tax	7%
tax free period (yr)	3
tax reduction in 1st taxable year	50%
tax rate, net income up to \$40k	0%
tax rate, net income between \$40k and \$100k	5%
tax rate, net income above \$100k	7%
Production royalty on net income	3%
Nevada	
State corporate income tax rate	0%
Alternative minimum tax rate	0%
Net proceeds of minerals tax rate	5%
South Africa	
Corporate income tax rate	29%
Ad valorem unrefined base metal royalty rate	4%
Ad valorem unpolished diamond royalty rate	5%
Unpolished diamond export levy	5%

Appendix 5b - BaseMetal15.xls

June 12, 2008

Namibia	
Corporate income tax rate - base metals	37.5%
Corporate income tax rate - diamonds	55%
Non-resident tax on dividends rate	10%
Ad valorem base metal royalty rate	3%
Ad valorem diamond royalty rate	10%
Chile	
First category tax rate	17%
Additional (profits) tax rate	42%
Mining activities tax rate	5%
production threshold for mining activities tax t/y	50,000
Mexico	
Corporate income tax rate	28%
Obligatory profit sharing rate	10%
Tax on assets rate	1.25%
Peru	
Corporate income tax rate	
Basic tax rate	27%
Tax on dividends / profit distributions rate	4%
Effective total statutory rate	30%
Mining Royalty rates, ad valorem base tax rate	
value of sales up to \$60M	1%
value of sales from \$60M to \$120M	2%
value of sales above \$120M	3%
Denmark - Greenland	
Corporate income tax rate	30%
Mineral royalty fee rate	0%

Appendix 5b - BaseMetal15.xls

June 12, 2008

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 15%IRR (NWT), After Tax																				
Northwest Territories																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918	
- Normal CCA	0	0	0	46,541	62,197	34,584	40,822	24,794	6,153	6,656	7,074	7,429	7,738	8,013	8,264	8,497	7,533	5,650	281,945	
- Accelerated CCA	0	0	0	3,955	0	31,140	57,776	0	0	0	0	0	0	0	0	0	0	0	92,871	
= Resource Profits	0	0	0	59,211	7,657	5,960	4,828	31,900	147,473	187,646	152,758	116,476	78,740	161,602	123,226	83,275	172,464	133,888	1,467,103	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- TerritorialMining Royalty Deduction	0	0	0	360	372	385	398	412	1,701	22,314	17,362	12,203	6,830	18,504	13,029	7,327	21,112	15,399	137,707	
- CEE	0	0	0	0	0	0	0	29,228	83,471	0	0	0	0	0	0	0	0	0	112,699	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	8,924	7,284	5,575	4,429	2,261	0	0	0	0	0	0	0	0	0	0	28,474	
= Net Profit	0	0	0	49,927	0	-	0	0	62,301	165,332	135,396	104,274	71,910	143,097	110,197	75,947	151,352	118,489	1,188,223	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	49,927	0	0	0	0	62,301	165,332	135,396	104,274	71,910	143,097	110,197	75,947	151,352	118,489	1,188,223	
Basic Federal Income Tax	0	0	0	13,980	0	0	0	0	13,706	36,373	29,787	22,940	15,820	31,481	24,243	16,708	33,297	26,068	264,405	
Federal Income Surtax	0	0	0	559	0	0	0	0	0	0	0	0	0	0	0	0	0	0	559	
- Resource Income Tax Reduction	0	0	0	3,495	0	0	0	0	4,361	11,573	9,478	7,299	5,034	10,017	7,714	5,316	10,595	8,294	83,176	
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense ITC	0	0	0	11,044	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11,044	
Federal Income Tax	0	0	0	0	0	0	0	0	9,345	24,800	20,309	15,641	10,787	21,465	16,529	11,392	22,703	17,773	170,744	
Territorial Income Tax (\$000)																				
= Taxable Income	0	0	0	49,927	0	0	0	0	62,301	165,332	135,396	104,274	71,910	143,097	110,197	75,947	151,352	118,489	1,188,223	
Provincial Income Tax	0	0	0	5,742	0	0	0	0	7,165	19,013	15,571	11,991	8,270	16,456	12,673	8,734	17,405	13,626	136,646	
Canada Mining Regulation Royalty (\$000)																				
Net Operating Revenue (incl. ITC)	0	0	0	109,125	76,905	43,352	80,011	118,120	157,722	198,860	164,094	127,857	90,106	174,138	135,683	95,621	184,796	143,988	1,900,379	
- Exploration & Development Allowance	0	0	0	89,593	30,597	0	0	0	0	0	0	0	0	0	0	0	0	0	120,189	
- Depreciation Allowance	0	0	0	26,176	22,608	58,645	96,117	118,541	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	0	383,391	
= Income before proc all	0	0	0	19,532	20,132	20,743	21,367	22,003	39,181	190,614	155,683	119,278	81,355	165,212	126,579	86,335	184,796	143,988	1,396,798	
- Processing Allowance	0	0	0	12,696	13,086	13,483	13,889	14,302	14,724	15,154	15,593	16,041	16,497	16,963	17,438	17,922	17,922	17,922	233,631	
= Net Income for Royalty	0	0	0	6,836	7,046	7,260	7,478	7,701	24,457	175,460	140,090	103,238	64,858	148,249	109,141	68,412	166,874	126,066	1,163,167	
Territorial Mining Royalty	0	0	0	360	372	385	398	412	1,701	22,314	17,362	12,203	6,830	18,504	13,029	7,327	21,112	15,399	137,707	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255	
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934	
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	383,391	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	0	1,078	3,780	7,070	8,924	7,284	5,575	4,429	2,261	0	0	0	0	0	0	0	0	0	40,402	
- Fed. Income Tax	0	0	0	0	0	0	0	0	9,345	24,800	20,309	15,641	10,787	21,465	16,529	11,392	22,703	17,773	170,744	
- Provincial Income Tax	0	0	0	0	5,742	0	0	0	7,165	19,013	15,571	11,991	8,270	16,456	12,673	8,734	17,405	13,626	136,646	
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Mining Tax	0	0	0	0	360	372	385	398	412	1,701	22,314	17,362	12,203	6,830	18,504	13,029	7,327	21,112	15,399	
= Net Cash Flow	0	-102,578	-152,190	-153,246	83,405	58,683	26,966	64,192	103,871	127,331	119,929	98,179	75,491	51,841	104,264	80,154	55,032	118,777	92,739	852,839

Appendix 5b - BaseMetal15.xls

June 12, 2008

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 15%IRR (NWT), After Tax																				
Nunavut																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918	
- Normal CCA	0	0	0	46,541	62,197	34,584	40,822	24,794	6,153	6,656	7,074	7,429	7,738	8,013	8,264	8,497	7,533	5,650	281,945	
- Accelerated CCA	0	0	0	3,955	0	31,140	57,776	0	0	0	0	0	0	0	0	0	0	0	92,871	
= Resource Profits	0	0	0	59,211	7,657	5,960	4,828	31,900	147,473	187,646	152,758	116,476	78,740	161,602	123,226	83,275	172,464	133,888	1,467,103	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Territorial Mining Royalty Deduction	0	0	0	360	372	385	398	412	1,701	22,314	17,362	12,203	6,830	18,504	13,029	7,327	21,112	15,399	137,707	
- CEE	0	0	0	0	0	0	0	29,228	83,471	0	0	0	0	0	0	0	0	0	112,699	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	8,924	7,284	5,575	4,429	2,261	0	0	0	0	0	0	0	0	0	0	28,474	
= Net Profit	0	0	0	49,927	0	-	0	0	62,301	165,332	135,396	104,274	71,910	143,097	110,197	75,947	151,352	118,489	1,188,223	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	49,927	0	0	0	0	62,301	165,332	135,396	104,274	71,910	143,097	110,197	75,947	151,352	118,489	1,188,223	
Basic Federal Income Tax	0	0	0	13,980	0	0	0	0	13,706	36,373	29,787	22,940	15,820	31,481	24,243	16,708	33,297	26,068	264,405	
Federal Income Surtax	0	0	0	559	0	0	0	0	0	0	0	0	0	0	0	0	0	0	559	
- Resource Income Tax Reduction	0	0	0	3,495	0	0	0	0	4,361	11,573	9,478	7,299	5,034	10,017	7,714	5,316	10,595	8,294	83,176	
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense ITC	0	0	0	11,044	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11,044	
Federal Income Tax	0	0	0	0	0	0	0	0	9,345	24,800	20,309	15,641	10,787	21,465	16,529	11,392	22,703	17,773	170,744	
Territorial Income Tax (\$000)																				
= Taxable Income	0	0	0	49,927	0	0	0	0	62,301	165,332	135,396	104,274	71,910	143,097	110,197	75,947	151,352	118,489	1,188,223	
Provincial Income Tax	0	0	0	5,991	0	0	0	0	7,476	19,840	16,248	12,513	8,629	17,172	13,224	9,114	18,162	14,219	142,587	
Canada Mining Regulation Royalty (\$000)																				
Net Operating Revenue (incl. ITC)	0	0	0	109,125	76,905	43,352	80,011	118,120	157,722	198,860	164,094	127,857	90,106	174,138	135,683	95,621	184,796	143,988	1,900,379	
- Exploration & Development Allowance	0	0	0	89,593	30,597	0	0	0	0	0	0	0	0	0	0	0	0	0	120,189	
- Depreciation Allowance	0	0	0	0	26,176	22,608	58,645	96,117	118,541	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	383,391	
= Income before proc all	0	0	0	19,532	20,132	20,743	21,367	22,003	39,181	190,614	155,683	119,278	81,355	165,212	126,579	86,335	184,796	143,988	1,396,798	
- Processing Allowance	0	0	0	12,696	13,086	13,483	13,889	14,302	14,724	15,154	15,593	16,041	16,497	16,963	17,438	17,922	17,922	17,922	233,631	
= Net Income for Royalty	0	0	0	6,836	7,046	7,260	7,478	7,701	24,457	175,460	140,090	103,238	64,858	148,249	109,141	68,412	166,874	126,066	1,163,167	
Territorial Mining Royalty	0	0	0	360	372	385	398	412	1,701	22,314	17,362	12,203	6,830	18,504	13,029	7,327	21,112	15,399	137,707	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255	
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934	
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	383,391	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	0	1,078	3,780	7,070	8,924	7,284	5,575	4,429	2,261	0	0	0	0	0	0	0	0	0	40,402	
- Fed. Income Tax	0	0	0	0	0	0	0	0	9,345	24,800	20,309	15,641	10,787	21,465	16,529	11,392	22,703	17,773	170,744	
- Provincial Income Tax	0	0	0	0	5,991	0	0	0	7,476	19,840	16,248	12,513	8,629	17,172	13,224	9,114	18,162	14,219	142,587	
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Mining Tax	0	0	0	360	372	385	398	412	1,701	22,314	17,362	12,203	6,830	18,504	13,029	7,327	21,112	15,399	137,707	
= Net Cash Flow	0	-102,578	-152,190	-153,246	83,155	58,683	26,966	64,192	103,871	127,019	119,102	97,502	74,970	51,482	103,549	79,603	54,652	118,020	92,147	846,898

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 15%IRR (NWT), After Tax																				
British Columbia																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918	
- Normal CCA	0	0	0	44,853	62,619	34,214	41,597	25,841	6,153	6,656	7,074	7,429	7,738	8,013	8,264	8,497	7,533	5,650	282,131	
- Accelerated CCA	0	0	0	0	2,491	0	29,277	60,917	0	0	0	0	0	0	0	0	0	0	92,684	
= Resource Profits	0	0	0	60,899	8,699	6,330	5,916	27,712	147,473	187,646	152,758	116,476	78,740	161,602	123,226	83,275	172,464	133,888	1,467,103	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- ProvincialMining Royalty Deduction	0	0	0	2,048	1,414	755	1,471	2,216	2,991	3,795	6,620	15,506	10,576	21,478	16,455	11,224	24,024	18,718	139,290	
- CEE	0	0	0	0	0	0	0	23,227	89,472	0	0	0	0	0	0	0	0	0	112,699	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	8,924	7,284	5,575	4,445	2,269	0	0	0	0	0	0	0	0	0	0	28,497	
= Net Profit	0	0	0	49,927	0	-	0	0	55,010	183,851	146,138	100,970	68,164	140,124	106,771	72,051	148,440	115,169	1,186,616	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	49,927	0	0	0	0	55,010	183,851	146,138	100,970	68,164	140,124	106,771	72,051	148,440	115,169	1,186,616	
Basic Federal Income Tax	0	0	0	13,980	0	0	0	0	12,102	40,447	32,150	22,213	14,996	30,827	23,490	15,851	32,657	25,337	264,051	
Federal Income Surtax	0	0	0	559	0	0	0	0	0	0	0	0	0	0	0	0	0	0	559	
- Resource Income Tax Reduction	0	0	0	3,495	0	0	0	0	3,851	12,870	10,230	7,068	4,771	9,809	7,474	5,044	10,391	8,062	83,063	
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense ITC	0	0	0	11,044	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11,044	
Federal Income Tax	0	0	0	0	0	0	0	0	8,251	27,578	21,921	15,146	10,225	21,019	16,016	10,808	22,266	17,275	170,503	
Provincial Income Tax (\$000)																				
Net Operating Revenue	0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918	
- Regular CCA	0	0	0	71,983	50,137	34,214	29,115	13,359	6,153	6,656	7,074	7,429	7,738	8,013	8,264	8,497	7,533	5,650	271,815	
- Accelerated CCA	0	0	0	22,798	14,973	0	41,758	23,471	0	0	0	0	0	0	0	0	0	0	103,000	
= Resource Profits	0	0	0	10,971	8,699	6,330	5,916	77,639	147,473	187,646	152,758	116,476	78,740	161,602	123,226	83,275	172,464	133,888	1,467,103	
- Mineral Tax	0	0	0	2,048	1,414	755	1,471	2,216	2,991	3,795	6,620	15,506	10,576	21,478	16,455	11,224	24,024	18,718	139,290	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- CEE	0	0	0	0	0	0	0	73,154	50,589	0	0	0	0	0	0	0	0	0	123,743	
- Interest Expense	0	0	0	8,924	7,284	5,575	4,445	2,269	0	0	0	0	0	0	0	0	0	0	28,497	
= Net Profit	0	0	0	0	0	-	0	0	93,893	183,851	146,138	100,970	68,164	140,124	106,771	72,051	148,440	115,169	1,175,572	
- Prior Years' Losses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	0	0	0	0	0	93,893	183,851	146,138	100,970	68,164	140,124	106,771	72,051	148,440	115,169	1,175,572	
Provincial Income Tax	0	0	0	0	0	0	0	0	10,328	20,224	16,075	11,107	7,498	15,414	11,745	7,926	16,328	12,669	129,313	
Provincial Mining Tax (\$000)																				
Stage I tax																				
Gross revenue	0	0	0	337,285	309,627	280,729	322,136	365,088	409,629	455,805	426,178	395,183	362,778	452,263	419,371	384,983	479,945	445,040	5,846,040	
- Operating Costs	0	0	0	234,905	238,915	242,992	248,568	254,269	260,099	266,061	270,607	275,229	279,928	287,171	292,075	297,061	304,748	309,953	4,062,582	
= Net current proceeds	0	0	0	102,379	70,712	37,737	73,569	110,819	149,529	189,744	155,570	119,954	82,850	165,092	127,296	87,921	175,197	135,087	1,783,458	
= Stage I tax	0	0	0	2,048	1,414	755	1,471	2,216	2,991	3,795	3,111	2,399	1,657	3,302	2,546	1,758	3,504	2,702	35,669	
Stage II tax																				
Gross revenue	0	0	0	337,285	309,627	280,729	322,136	365,088	409,629	455,805	426,178	395,183	362,778	452,263	419,371	384,983	479,945	445,040	5,846,040	
- Current prescribed costs	0	135,333	197,880	194,902	235,482	240,192	244,996	249,895	259,991	265,191	270,495	275,905	281,423	287,051	292,792	298,648	295,149	301,052	4,581,270	
- Investment allowance	0	4,940	7,223	18,058	19,859	26,172	22,331	20,303	19,675	17,240	12,997	6,791	0	0	0	0	0	0	175,587	
- Opening CEA balance	0	0	140,273	345,376	558,335	476,391	433,127	419,725	367,787	277,267	144,869	0	0	0	0	0	0	0	3,163,149	
= Net revenue	0	-140,273	-345,376	-558,335	-476,391	-433,127	-419,725	-367,787	-277,267	-144,869	-32,748	-148,892	-119,278	-81,355	-165,212	-126,579	-86,335	-184,796	-2,073,966	
Stage II tax	0	0	0	0	0	0	0	0	0	4,257	19,356	15,506	10,576	21,478	16,455	11,224	24,024	18,718	141,594	
- Prior year CTCAs	0	0	0	0	2,144	3,725	4,689	6,449	9,072	12,628	12,736	0	0	0	0	0	0	0	51,443	
- Current year Stage I tax	0	0	0	2,048	1,414	755	1,471	2,216	2,991	3,795	3,111	2,399	1,657	3,302	2,546	1,758	3,504	2,702	35,669	
= Net Stage II tax	0	0	0	0	0	0	0	0	0	3,509	13,107	8,919	18,176	13,909	9,465	20,520	16,017	103,621		
Total Stage I plus Stage II tax	0	0	0	2,048	1,414	755	1,471	2,216	2,991	3,795	6,620	15,506	10,576	21,478	16,455	11,224	24,024	18,718	139,290	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255	
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934	
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	383,391	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	0	1,078	3,780	7,070	8,924	7,284	5,575	4,445	2,269	0	0	0	0	0	0	0	0	0	40,426	
- Fed. Income Tax	0	0	0	0	0	0	0	0	8,251	27,578	21,921	15,146	10,225	21,019	16,016	10,808	22,266	17,275	170,503	
- Provincial Income Tax	0	0	0	0	0	0	0	0	10,328	20,224	16,075	11,107	7,498	15,414	11,745	7,926	16,328	12,669	129,313	
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Mining Tax	0	0	0	2,048	1,414	755	1,471	2,216	2,991	3,795	6,620	15,506	10,576	21,478	16,455	11,224	24,024	18,718	139,290	
= Net Cash Flow	0	-102,578	-152,190	-153,246	87,459	57,641	26,596	63,103	102,059	123,971	134,460	106,805	73,568	49,429	102,779	78,170	52,528	117,379	90,875	858,806

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 15%IRR (NWT), After Tax																				
Alberta																				
Metallic & Diamonds																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918	
- Normal CCA	0	0	0	45,272	62,514	33,981	41,526	25,745	6,153	6,656	7,074	7,429	7,738	8,013	8,264	8,497	7,533	5,650	282,045	
- Accelerated CCA	0	0	0	2,695	0	29,446	60,629	0	0	0	0	0	0	0	0	0	0	0	92,771	
= Resource Profits	0	0	0	60,480	8,599	6,563	5,818	28,095	147,473	187,646	152,758	116,476	78,740	161,602	123,226	83,275	172,464	133,888	1,467,103	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- ProvincialMining Royalty Deduction	0	0	0	1,629	1,315	988	1,363	1,753	2,158	2,578	15,832	11,433	6,853	16,738	12,071	7,210	18,911	14,056	114,887	
- CEE	0	0	0	0	0	0	0	24,069	88,630	0	0	0	0	0	0	0	0	0	112,699	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	8,924	7,284	5,575	4,455	2,274	0	0	0	0	0	0	0	0	0	0	28,512	
= Net Profit	0	0	0	49,927	0	-	0	0	56,685	185,068	136,926	105,043	71,887	144,863	111,155	76,065	153,552	119,832	1,211,005	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	49,927	0	0	0	0	56,685	185,068	136,926	105,043	71,887	144,863	111,155	76,065	153,552	119,832	1,211,005	
Basic Federal Income Tax	0	0	0	13,980	0	0	0	0	12,471	40,715	30,124	23,110	15,815	31,870	24,454	16,734	33,781	26,363	269,417	
Federal Income Surtax	0	0	0	559	0	0	0	0	0	0	0	0	0	0	0	0	0	0	559	
- Resource Income Tax Reduction	0	0	0	3,495	0	0	0	0	3,968	12,955	9,585	7,353	5,032	10,140	7,781	5,325	10,749	8,388	84,770	
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense ITC	0	0	0	11,044	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11,044	
Federal Income Tax	0	0	0	0	0	0	0	0	8,503	27,760	20,539	15,756	10,783	21,730	16,673	11,410	23,033	17,975	174,162	
Provincial Income Tax (\$000)																				
Net Operating Revenue	0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918	
- Regular CCA	0	0	0	71,983	50,032	33,981	29,044	13,263	6,153	6,656	7,074	7,429	7,738	8,013	8,264	8,497	7,533	5,650	271,310	
- Accelerated CCA	0	0	0	23,216	15,177	0	41,928	23,184	0	0	0	0	0	0	0	0	0	0	103,505	
= Resource Profits	0	0	0	10,553	8,599	6,563	5,818	78,023	147,473	187,646	152,758	116,476	78,740	161,602	123,226	83,275	172,464	133,888	1,467,103	
- Resource Tax Deduction	0	0	0	1,629	1,315	988	1,363	1,753	2,158	2,578	15,832	11,433	6,853	16,738	12,071	7,210	18,911	14,056	114,887	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- CEE	0	0	0	0	0	0	0	73,996	49,747	0	0	0	0	0	0	0	0	0	123,743	
- Interest Expense	0	0	0	8,924	7,284	5,575	4,455	2,274	0	0	0	0	0	0	0	0	0	0	28,512	
= Net Profit	0	0	0	0	0	-	0	0	95,568	185,068	136,926	105,043	71,887	144,863	111,155	76,065	153,552	119,832	1,199,961	
- Prior Years' Losses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	0	0	0	0	0	95,568	185,068	136,926	105,043	71,887	144,863	111,155	76,065	153,552	119,832	1,199,961	
Provincial Income Tax	0	0	0	0	0	0	0	0	9,557	18,507	13,693	10,504	7,189	14,486	11,116	7,606	15,355	11,983	119,996	
Provincial Mining Tax (\$000)																				
Gross Revenue Portion																				
Gross Revenue	0	0	0	337,285	309,627	280,729	322,136	365,088	409,629	455,805	426,178	395,183	362,778	452,263	419,371	384,983	479,945	445,040	5,846,040	
- Processing costs	0	0	0	150,585	153,597	156,669	159,802	162,998	166,258	169,584	172,975	176,435	179,964	183,563	187,234	190,979	194,798	198,694	2,604,136	
- Capital allowance	2,250	13,725	23,089	23,805	24,536	25,281	26,041	26,816	27,607	28,414	29,237	30,076	30,932	31,805	32,696	33,604	33,604	33,604	477,122	
= Mine mouth revenue	0	0	0	162,894	131,495	98,779	136,293	175,273	215,763	257,807	223,966	188,672	151,882	236,895	199,441	160,400	251,543	212,742	2,803,845	
Tax	0	0	0	1,629	1,315	988	1,363	1,753	2,158	2,578	2,240	1,887	1,519	2,369	1,994	1,604	2,515	2,127	28,038	
Net Profit Portion																				
Gross Revenue	0	0	0	337,285	309,627	280,729	322,136	365,088	409,629	455,805	426,178	395,183	362,778	452,263	419,371	384,983	479,945	445,040	5,846,040	
- Allowed capital costs	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	383,391	
- Allowed operating costs	0	0	0	231,533	235,819	240,185	245,346	250,618	256,003	261,503	266,346	271,277	276,300	282,648	287,882	293,212	299,948	305,502	4,004,122	
- Allowed exportation & development costs	32,500	37,230	50,459	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	120,189	
- Processing Allowance	0	0	0	15,870	16,357	16,854	17,361	17,878	18,405	18,943	19,491	20,051	20,621	21,203	21,797	22,403	22,403	22,403	292,039	
- Operating losses carried forward	0	0	0	396,086	313,526	263,544	247,472	195,813	107,147	0	0	0	0	0	0	0	0	0	1,874,997	
Net revenue	-101,500	-249,910	-396,086	-313,526	-263,544	-247,472	-195,813	-107,147	19,990	167,113	131,930	95,276	57,106	139,486	100,588	60,082	157,594	117,135	-828,698	
Tax	0	0	0	0	0	0	0	0	0	0	15,832	11,433	6,853	16,738	12,071	7,210	18,911	14,056	103,103	
Provincial Mining Tax	0	0	0	1,629	1,315	988	1,363	1,753	2,158	2,578	15,832	11,433	6,853	16,738	12,071	7,210	18,911	14,056	114,887	

Appendix 5b - BaseMetal15.xls

June 12, 2008

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 15%IRR (NWT), After Tax																				
Alberta																				
Metallic & Diamonds																				
Cash Flow from Operations (\$000)																				Total
Net operating revenue		0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	383,391
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense	1,078	3,780	7,070	8,924	7,284	5,575	4,455	2,274	0	0	0	0	0	0	0	0	0	0	0	40,441
- Fed. Income Tax	0	0	0	0	0	0	0	0	8,503	27,760	20,539	15,756	10,783	21,730	16,673	11,410	23,033	17,975	174,162	
- Provincial Income Tax	0	0	0	0	0	0	0	0	9,557	18,507	13,693	10,504	7,189	14,486	11,116	7,606	15,355	11,983	119,996	
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Provincial Mining Tax	0	0	0	0	1,629	1,315	988	1,363	1,753	2,158	2,578	15,832	11,433	6,853	16,738	12,071	7,210	18,911	14,056	114,887
= Net Cash Flow from Operations, After Tax		-102,578	-152,190	-153,246	87,877	57,740	26,363	63,202	102,517	125,324	137,211	101,358	77,632	52,903	107,735	82,526	56,259	122,698	95,524	888,853

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 15%IRR (NWT), After Tax																				
Saskatchewan																				
(Gold & Base Metal)																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918	
- Normal CCA	0	0	0	46,877	62,117	34,954	40,562	24,524	6,153	6,656	7,074	7,429	7,738	8,013	8,264	8,497	7,533	5,650	282,041	
- Accelerated CCA	0	0	0	0	4,387	0	31,441	56,965	0	0	0	0	0	0	0	0	0	0	92,793	
= Resource Profits	0	0	0	58,876	7,304	5,591	4,787	32,981	147,473	187,646	152,758	116,476	78,740	161,602	123,226	83,275	172,464	133,888	1,467,085	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Mining Royalty Deduction	0	0	0	0	0	0	0	0	0	0	0	0	0	8,261	12,408	8,633	18,480	14,399	62,181	
- CEE	0	0	0	0	0	0	0	30,513	82,194	0	0	0	0	0	0	0	0	0	112,707	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	8,948	7,304	5,591	4,787	2,468	0	0	0	0	0	0	0	0	0	0	29,097	
= Net Profit	0	0	0	49,927	0	0	0	0	65,279	187,646	152,758	116,476	78,740	153,341	110,818	74,641	153,984	119,489	1,263,100	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	49,927	0	0	0	0	65,279	187,646	152,758	116,476	78,740	153,341	110,818	74,641	153,984	119,489	1,263,100	
Basic Federal Income Tax	0	0	0	13,980	0	0	0	0	14,361	41,282	33,607	25,625	17,323	33,735	24,380	16,421	33,876	26,288	280,878	
Federal Income Surtax	0	0	0	559	0	0	0	0	0	0	0	0	0	0	0	0	0	0	559	
- Resource Income Tax Reduction	0	0	0	3,495	0	0	0	0	4,570	13,135	10,693	8,153	5,512	10,734	7,757	5,225	10,779	8,364	88,417	
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense ITC	0	0	0	11,044	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11,044	
Federal Income Tax	0	0	0	0	0	0	0	0	9,792	28,147	22,914	17,471	11,811	23,001	16,623	11,196	23,098	17,923	181,976	
Provincial Income Tax (\$000)																				
Taxable Income (from Federal Calc'n)	0	0	0	49,927	0	0	0	0	65,279	187,646	152,758	116,476	78,740	153,341	110,818	74,641	153,984	119,489	1,263,100	
Provincial Income Tax	0	0	0	6,740	0	0	0	0	7,833	22,518	18,331	13,977	9,449	18,401	13,298	8,957	18,478	14,339	152,321	
Provincial Capital Tax (\$000)																				
Taxable Capital	17,171	50,359	62,338	108,740	130,932	110,619	124,818	206,655	360,814	436,282	483,384	496,705								
Basic Capital Tax	43	242	262	197	121	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Gross resource production revenue	0	0	0	337,285	309,627	280,729	322,136	365,088	409,629	455,805	426,178	395,183	362,778	452,263	419,371	384,983	479,945	445,040	5,846,040	
Resource surcharge	0	0	0	10,793	9,598	8,422	9,664	10,953	12,289	13,674	12,785	11,855	10,883	13,568	12,581	11,549	14,398	13,351	3,945,661	
Resource Surtax	0	0	0	10,596	9,478	8,422	9,664	10,953	12,289	13,674	12,785	11,855	10,883	13,568	12,581	11,549	14,398	13,351	180,284	
Capital Tax	43	242	262	10,793	9,598	8,422	9,664	10,953	12,289	13,674	12,785	11,855	10,883	13,568	12,581	11,549	14,398	13,351	383,391	
Provincial Mining Royalty (\$000)																				
Gross revenue	0	0	0	337,285	309,627	280,729	322,136	365,088	409,629	455,805	426,178	395,183	362,778	452,263	419,371	384,983	479,945	445,040	5,846,040	
- Operating costs	0	0	0	228,160	232,723	237,377	242,125	246,967	251,907	256,945	262,084	267,325	272,672	278,125	283,688	289,362	295,149	301,052	3,945,661	
- Preproduction Allowance	0	0	0	109,125	71,159	0	0	0	0	0	0	0	0	0	0	0	0	0	180,284	
- Exploration & Development	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Depreciation	0	0	0	0	5,746	43,352	80,011	118,120	74,858	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	383,391	
- Loss carryforward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Net Profit	0	0	0	0	0	0	0	0	82,864	190,614	155,683	119,278	81,355	165,212	126,579	86,335	184,796	143,988	1,336,704	
Basic royalty	0	0	0	0	0	0	0	0	4,143	9,531	7,784	5,964	4,068	8,261	12,408	8,633	18,480	14,399	93,670	
Royalty holiday	0	0	0	0	0	0	0	0	4,143	9,531	7,784	5,964	4,068	0	0	0	0	0	31,490	
Provincial Mining Royalty	0	0	0	0	0	0	0	0	0	0	0	0	0	8,261	12,408	8,633	18,480	14,399	62,181	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255	
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934	
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	383,391	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	1,079	3,787	7,088	8,948	7,304	5,591	4,787	2,468	0	0	0	0	0	0	0	0	0	0	41,051	
- Fed. Income Tax	0	0	0	0	0	0	0	0	9,792	28,147	22,914	17,471	11,811	23,001	16,623	11,196	23,098	17,923	181,976	
- Provincial Income Tax	0	0	0	6,740	0	0	0	0	7,833	22,518	18,331	13,977	9,449	18,401	13,298	8,957	18,478	14,339	152,321	
- Provincial Capital Tax	0	43	242	262	10,793	9,598	8,422	9,664	10,953	12,289	13,674	12,785	11,855	0	0	0	0	0	100,581	
- Provincial Mining Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	8,261	12,408	8,633	18,480	14,399	62,181	
= Net Cash Flow from Operations, After Tax	-102,622	-152,439	-153,526	71,948	49,437	18,914	54,569	93,123	115,627	121,717	97,391	72,022	56,467	111,026	80,056	53,698	119,942	92,877	800,228	

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 15%IRR (NWT), After Tax																				
Manitoba																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918	
- Normal CCA	0	0	0	46,877	60,019	34,954	38,464	22,471	6,153	6,656	7,074	7,429	7,738	8,013	8,264	8,497	7,533	5,650	275,792	
- Accelerated CCA	0	0	0	0	6,486	0	33,356	50,807	0	0	0	0	0	0	0	0	0	0	90,649	
= Resource Profits	0	0	0	58,875	7,304	5,590	4,970	41,191	147,473	187,646	152,758	116,476	78,740	161,602	123,226	83,275	172,464	133,888	1,475,477	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Mining Royalty Deduction	0	0	0	0	0	0	519	1,558	10,625	16,502	12,705	10,836	5,642	20,868	13,973	6,730	23,265	16,306	139,529	
- CEE	0	0	0	0	0	0	0	37,362	71,784	0	0	0	0	0	0	0	0	0	109,145	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	8,947	7,304	5,590	4,451	2,272	0	0	0	0	0	0	0	0	0	0	28,564	
= Net Profit	0	0	0	49,927	0	-	0	0	65,064	171,145	140,053	105,641	73,098	140,734	109,253	76,544	149,199	117,582	1,198,239	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	49,927	0	0	0	0	65,064	171,145	140,053	105,641	73,098	140,734	109,253	76,544	149,199	117,582	1,198,239	
Basic Federal Income Tax	0	0	0	13,980	0	0	0	0	14,314	37,652	30,812	23,241	16,082	30,962	24,036	16,840	32,824	25,868	266,608	
Federal Income Surtax	0	0	0	559	0	0	0	0	0	0	0	0	0	0	0	0	0	0	559	
- Resource Income Tax Reduction	0	0	0	3,495	0	0	0	0	4,555	11,980	9,804	7,395	5,117	9,851	7,648	5,358	10,444	8,231	83,877	
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense ITC	0	0	0	11,044	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11,044	
Federal Income Tax	0	0	0	0	0	0	0	0	9,760	25,672	21,008	15,846	10,965	21,110	16,388	11,482	22,380	17,637	172,247	
Provincial Income Tax (\$000)																				
Taxable Income (from Federal Calc'n)	0	0	0	49,927	0	0	0	0	65,064	171,145	140,053	105,641	73,098	140,734	109,253	76,544	149,199	117,582	1,198,239	
Provincial Income Tax	0	0	0	6,990	0	0	0	0	8,458	22,249	18,207	13,733	9,503	18,295	14,203	9,951	19,396	15,286	156,270	
Provincial Capital Tax (\$000)																				
Taxable Capital	17,171	50,360	65,902	122,279	153,487	141,062	164,115	261,375	404,607	478,110	525,250	539,333								
Basic Capital Tax	37	136	183	352	445	408	477	769	1,199	1,419	1,561	1,603								
Capital Surtax	4	71	102	215	138	126	149	246	390	463	510	524								
Capital Tax	41	207	285	566	584	534	626	1,016	1,588	1,882	2,071	2,127								11,528
Provincial Mining Tax (\$000)																				
Net Operating Revenue	0	0	0	109,125	76,905	43,352	80,011	118,120	157,722	198,860	164,094	127,857	90,106	174,138	135,683	95,621	184,796	143,988	1,900,379	
- Exploration Expenses	0	0	0	0	0	0	12,184	38,907	0	0	0	0	0	0	0	0	0	0	51,091	
- Depreciation Allowance	0	0	0	73,031	59,918	43,352	0	43,883	36,590	30,010	24,276	20,048	17,518	15,799	14,460	13,426	10,741	8,592	411,643	
- Tax Holiday Allowance	0	0	0	36,094	16,986	0	56,057	0	0	0	0	0	0	0	0	0	0	0	109,137	
= Profit before proc all	0	0	0	0	0	0	11,771	35,331	121,132	168,850	139,818	107,810	72,588	158,338	121,223	82,195	174,056	135,396	1,328,508	
- Processing Allowance	0	0	0	0	0	0	7,651	22,965	36,810	37,885	38,982	40,101	41,243	42,407	43,595	44,806	44,806	44,806	446,056	
= Taxable Profit	0	0	0	0	0	0	4,120	12,366	84,323	130,965	100,836	67,709	31,345	115,931	77,628	37,390	129,250	90,590	882,452	
Special Tax	0	0	0	0	0	0	21	62	422	655	504	339	157	580	388	187	646	453	4,412	
Mining Tax	0	0	0	0	0	0	742	2,226	15,178	23,574	18,150	12,188	5,642	20,868	13,973	6,730	23,265	16,306	158,841	
- Investment Credit	0	0	0	0	0	0	222	668	4,553	7,072	5,445	1,352	0	0	0	0	0	0	19,313	
- Special Tax Refund	0	0	0	0	0	0	21	62	422	655	504	339	157	580	388	187	646	453	4,412	
Provincial Mining Tax	0	0	0	0	0	0	519	1,558	10,625	16,502	12,705	10,836	5,642	20,868	13,973	6,730	23,265	16,306	139,529	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255	
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934	
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	383,391	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	1,079	3,786	7,087	8,947	7,304	5,590	4,451	2,272	0	0	0	0	0	0	0	0	0	0	40,516	
- Fed. Income Tax	0	0	0	0	0	0	0	0	9,760	25,672	21,008	15,846	10,965	21,110	16,388	11,482	22,380	17,637	172,247	
- Provincial Income Tax	0	0	0	6,990	0	0	0	0	8,458	22,249	18,207	13,733	9,503	18,295	14,203	9,951	19,396	15,286	156,270	
- Provincial Capital Tax	0	41	207	285	566	584	626	1,016	1,588	1,882	2,071	2,127	0	0	0	0	0	0	11,528	
- Provincial Mining Tax	0	0	0	0	0	0	519	1,558	10,625	16,502	12,705	10,836	5,642	20,868	13,973	6,730	23,265	16,306	139,529	
= Net Cash Flow from Operations, After Tax	-102,620	-152,403	-153,548	81,926	58,452	26,802	63,423	101,698	115,110	119,751	97,430	72,784	51,618	100,416	77,821	54,322	114,956	90,309	818,248	

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June 12, 2008

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 15%IRR (NWT), After Tax																				
Ontario																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918	
- Normal CCA	0	0	0	46,887	62,113	34,284	40,808	24,880	6,153	6,656	7,074	7,429	7,738	8,013	8,264	8,497	7,533	5,650	281,979	
- Accelerated CCA	0	0	0	0	4,061	0	30,753	58,034	0	0	0	0	0	0	0	0	0	0	92,848	
= Resource Profits	0	0	0	58,866	7,634	6,260	5,229	31,555	147,473	187,646	152,758	116,476	78,740	161,602	123,226	83,275	172,464	133,888	1,467,092	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- ProvincialMining Royalty Deduction	0	0	0	0	338	676	698	720	10,063	16,183	13,214	10,120	6,474	14,026	10,831	6,974	15,179	11,848	117,344	
- CEE	0	0	0	0	0	0	0	28,522	84,182	0	0	0	0	0	0	0	0	0	112,704	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	8,938	7,296	5,584	4,532	2,313	0	0	0	0	0	0	0	0	0	0	28,663	
= Net Profit	0	0	0	49,927	0	-	-	0	53,229	171,464	139,544	106,356	72,266	147,576	112,395	76,300	157,284	122,040	1,208,381	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	49,927	0	0	0	0	53,229	171,464	139,544	106,356	72,266	147,576	112,395	76,300	157,284	122,040	1,208,381	
Basic Federal Income Tax	0	0	0	13,980	0	0	0	0	11,710	37,722	30,700	23,398	15,899	32,467	24,727	16,786	34,603	26,849	268,839	
Federal Income Surtax	0	0	0	559	0	0	0	0	0	0	0	0	0	0	0	0	0	0	559	
- Resource Income Tax Reduction	0	0	0	3,495	0	0	0	0	3,726	12,002	9,768	7,445	5,059	10,330	7,868	5,341	11,010	8,543	84,587	
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense ITC	0	0	0	11,044	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11,044	
Federal Income Tax	0	0	0	0	0	0	0	0	7,984	25,720	20,932	15,953	10,840	22,136	16,859	11,445	23,593	18,306	173,768	
Provincial Income Tax (\$000)																				
Net Operating Revenue	0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918	
- Regular CCA	0	0	0	71,986	50,376	33,098	29,891	14,166	6,153	6,656	7,074	7,429	7,738	8,013	8,264	8,497	7,533	5,650	272,524	
- Accelerated CCA	0	0	0	21,849	13,704	0	40,857	25,892	0	0	0	0	0	0	0	0	0	0	102,302	
= Resource Profits	0	0	0	11,918	9,728	7,446	6,042	74,411	147,473	187,646	152,758	116,476	78,740	161,602	123,226	83,275	172,464	133,888	1,467,092	
- Resource Allowance	0	0	0	2,979	2,432	1,861	1,511	18,603	36,868	46,912	38,190	29,119	19,685	40,400	30,806	20,819	43,116	33,472	366,773	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- CEE	0	0	0	0	0	0	0	53,496	70,252	0	0	0	0	0	0	0	0	0	123,748	
- Interest Expense	0	0	0	8,938	7,296	5,584	4,532	2,313	0	0	0	0	0	0	0	0	0	0	28,663	
= Net Profit	0	0	0	-	0	0	0	0	40,353	140,735	114,569	87,357	59,055	121,201	92,419	62,456	129,348	100,416	947,908	
- Prior Years' Losses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	0	0	0	0	0	40,353	140,735	114,569	87,357	59,055	121,201	92,419	62,456	129,348	100,416	947,908	
Basic Provincial Income Tax	0	0	0	0	0	0	0	0	4,842	16,888	13,748	10,483	7,087	14,544	11,090	7,495	15,522	12,050	113,749	
Corporate Minimum Tax	0	0	0	4,230	2,952	1,622	3,072	4,579	1,303	-9,116	-7,355	-1,286	0	0	0	0	0	0	0	
Provincial Income Tax	0	0	0	4,230	2,952	1,622	3,072	4,579	6,145	7,772	6,393	9,197	7,087	14,544	11,090	7,495	15,522	12,050	113,749	
Provincial Capital Tax (\$000)																				
Taxable Capital	17,171	50,362	62,351	121,745	149,869	135,415	155,553	241,039	402,907	493,040	553,632	574,987								
Capital Tax	37	129	157	311	384	271	211	170	0	0	0	0	0	0	0	0	0	0	0	1,669
Provincial Mining Tax (\$000)																				
Net Operating Revenue	0	0	0	109,125	76,905	43,352	80,011	118,120	157,722	198,860	164,094	127,857	90,106	174,138	135,683	95,621	184,796	143,988	1,900,379	
- Depreciation Allowance	0	0	0	89,593	55,511	22,608	33,091	26,735	14,756	7,888	8,046	8,207	8,371	8,538	8,263	7,955	6,218	4,599	310,377	
- Exploration & Development Allowance	0	0	0	0	1,261	0	25,554	69,383	23,992	0	0	0	0	0	0	0	0	0	120,189	
Profit before proc all	0	0	0	19,532	20,132	20,743	21,367	22,003	118,974	190,972	156,048	119,651	81,735	165,600	127,420	87,666	178,579	139,389	1,469,812	
- Processing Allowance	0	0	0	12,696	13,086	13,483	13,889	14,302	17,846	28,646	23,407	17,948	16,497	24,840	19,113	17,922	26,787	20,908	281,370	
Income after Processing Allowance	0	0	0	6,836	7,046	7,260	7,478	7,701	101,128	162,326	132,641	101,703	65,238	140,760	108,307	69,744	151,792	118,481	1,188,442	
- Mining Tax Exemption	500	500	500	7,336	3,664	500	500	500	500	500	500	500	500	500	500	0	0	0	17,000	
Taxable Income	0	0	0	3,382	6,760	6,978	7,201	100,628	161,826	132,141	101,203	64,738	140,260	108,307	69,744	151,792	118,481	117,344		
Provincial Mining Tax	0	0	0	0	338	676	698	720	10,063	16,183	13,214	10,120	6,474	14,026	10,831	6,974	15,179	11,848	117,344	

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June 12, 2008

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 15%IRR (NWT), After Tax																				
Ontario Mining Tax																				
Cash Flow from Operations (\$000)																				Total
Net operating revenue		0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	383,391
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense	1,079	3,784	7,081	8,938	7,296	5,584	4,532	2,313	0	0	0	0	0	0	0	0	0	0	0	40,607
- Fed. Income Tax	0	0	0	0	0	0	0	0	7,984	25,720	20,932	15,953	10,840	22,136	16,859	11,445	23,593	18,306	173,768	
- Provincial Income Tax	0	0	0	4,230	2,952	1,622	3,072	4,579	6,145	7,772	6,393	9,197	7,087	14,544	11,090	7,495	15,522	12,050	113,749	
- Provincial Capital Tax	0	37	129	157	311	384	271	211	170	0	0	0	0	0	0	0	0	0	0	1,669
- Provincial Mining Tax	0	0	0	0	0	338	676	698	720	10,063	16,183	13,214	10,120	6,474	14,026	10,831	6,974	15,179	11,848	117,344
= Net Cash Flow from Operations, After Tax		-102,616	-152,322	-153,414	84,950	55,368	24,773	60,508	98,762	121,349	136,382	110,882	80,056	53,327	109,983	83,605	56,571	125,703	97,334	891,201

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 15%IRR (NWT), After Tax																				
Quebec																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918	
- Normal CCA	0	0	0	46,234	62,232	34,194	41,042	25,124	6,153	6,656	7,074	7,429	7,738	8,013	8,264	8,497	7,533	5,650	281,833	
- Accelerated CCA	0	0	0	0	3,572	0	30,480	58,766	0	0	0	0	0	0	0	0	0	0	92,817	
= Resource Profits	0	0	0	59,518	8,005	6,351	5,268	30,580	147,473	187,646	152,758	116,476	78,740	161,602	123,226	83,275	172,464	133,888	1,467,268	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Mining Royalty Deduction	0	0	0	820	846	871	897	924	7,525	21,055	16,811	12,389	7,783	17,790	13,097	8,209	20,025	15,128	144,171	
- CEE	0	0	0	0	0	0	0	27,425	85,204	0	0	0	0	0	0	0	0	0	112,629	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	8,770	7,159	5,479	4,371	2,231	0	0	0	0	0	0	0	0	0	0	28,011	
= Net Profit	0	0	0	49,927	0	0	-	0	54,743	166,591	135,947	104,088	70,957	143,812	110,129	75,065	152,439	118,760	1,182,458	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	49,927	0	0	0	0	54,743	166,591	135,947	104,088	70,957	143,812	110,129	75,065	152,439	118,760	1,182,458	
Basic Federal Income Tax	0	0	0	13,980	0	0	0	0	12,044	36,650	29,908	22,899	15,611	31,639	24,228	16,514	33,537	26,127	263,136	
Federal Income Surtax	0	0	0	559	0	0	0	0	0	0	0	0	0	0	0	0	0	0	559	
- Resource Income Tax Reduction	0	0	0	3,495	0	0	0	0	3,832	11,661	9,516	7,286	4,967	10,067	7,709	5,255	10,671	8,313	82,772	
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense ITC	0	0	0	11,044	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11,044	
Federal Income Tax	0	0	0	0	0	0	0	0	8,211	24,989	20,392	15,613	10,644	21,572	16,519	11,260	22,866	17,814	169,880	
Provincial Income Tax (\$000)																				
Net Operating Revenue	0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918	
- Regular CCA	0	0	0	71,926	49,734	34,194	28,544	12,626	6,153	6,656	7,074	7,429	7,738	8,013	8,264	8,497	7,533	5,650	270,030	
- Accelerated CCA	0	0	0	24,236	16,070	0	42,978	21,272	0	0	0	0	0	0	0	0	0	0	104,555	
= Resource Profits	0	0	0	9,591	8,005	6,351	5,268	80,572	147,473	187,646	152,758	116,476	78,740	161,602	123,226	83,275	172,464	133,888	1,467,333	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Resource royalties	0	0	0	820	846	871	897	924	7,525	21,055	16,811	12,389	7,783	17,790	13,097	8,209	20,025	15,128	144,171	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- CEE	0	0	0	0	0	0	0	77,417	46,321	0	0	0	0	0	0	0	0	0	123,737	
- Interest Expense	0	0	0	8,770	7,159	5,479	4,371	2,231	0	0	0	0	0	0	0	0	0	0	28,011	
= Net Profit	0	0	0	0	0	0	-	0	93,627	166,591	135,947	104,088	70,957	143,812	110,129	75,065	152,439	118,760	1,171,414	
- Prior Years' Losses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	0	0	0	0	0	93,627	166,591	135,947	104,088	70,957	143,812	110,129	75,065	152,439	118,760	1,171,414	
Provincial Income Tax	0	0	0	0	0	0	0	0	11,142	19,824	16,178	12,386	8,444	17,114	13,105	8,933	18,140	14,132	139,398	
Provincial Capital Tax (\$000)																				
Taxable Capital	33,133	80,137	124,234	165,859	178,879	170,118	185,349	225,974	275,444	324,111	355,260	365,381								
Capital Tax	195	415	604	593	516	490	535	652	796	937	1,027	1,057	0	0	0	0	0	0	0	7,818
Provincial Mining Duty (\$000)																				
Net Operating Revenue	0	0	0	109,125	76,905	43,352	80,011	118,120	157,722	198,860	164,094	127,857	90,106	174,138	135,683	95,621	184,796	143,988	1,900,379	
- Depreciation Allowance	0	0	0	7,658	56,773	22,608	58,645	96,117	80,286	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	383,391	
- Refundable Exploration Credit	12,500	12,750	13,005																38,255	
- Exploration & Development Allowance	0	0	0	81,934	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934	
= Profit before proc all	-12,500	-12,750	-13,005	19,532	20,132	20,743	21,367	22,003	77,436	190,614	155,683	119,278	81,355	165,212	126,579	86,335	184,796	143,988	1,396,798	
- Processing Allowance	0	0	0	12,696	13,086	13,483	13,889	14,302	14,724	15,154	15,593	16,041	16,497	16,963	17,438	17,922	17,922	17,922	233,631	
= Taxable Income	-12,500	-12,750	-13,005	6,836	7,046	7,260	7,478	7,701	62,712	175,460	140,090	103,238	64,858	148,249	109,141	68,412	166,874	126,066	1,163,167	
Provincial Mining Duty	-1,500	-1,530	-1,561	820	846	871	897	924	7,525	21,055	16,811	12,389	7,783	17,790	13,097	8,209	20,025	15,128	139,580	

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MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 15%IRR (NWT), After Tax																				
Quebec																				
Cash Flow from Operations (\$000)																				Total
Net operating revenue		0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	383,391
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense	1,051	3,699	6,942	8,770	7,159	5,479	4,371	2,231	0	0	0	0	0	0	0	0	0	0	0	39,703
- Fed. Income Tax	0	0	0	0	0	0	0	0	8,211	24,989	20,392	15,613	10,644	21,572	16,519	11,260	22,866	17,814	169,880	
- Provincial Income Tax	0	0	0	0	0	0	0	0	11,142	19,824	16,178	12,386	8,444	17,114	13,105	8,933	18,140	14,132	139,398	
- Provincial Capital Tax	0	195	415	604	593	516	490	535	652	796	937	1,027	1,057	0	0	0	0	0	0	7,818
- Provincial Mining Tax	0	-1,500	-1,530	-1,561	820	846	871	897	924	7,525	21,055	16,811	12,389	7,783	17,790	13,097	8,209	20,025	15,128	139,580
= Net Cash Flow from Operations, After Tax		-101,246	-150,995	-152,162	88,246	57,819	26,085	63,217	102,736	117,867	119,251	97,013	73,881	50,857	104,214	79,664	54,083	118,966	92,463	841,959

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June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 15%IRR (NWT), After Tax																				
New Brunswick																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918	
- Normal CCA	0	0	0	0	0	0	59,480	56,507	32,697	6,455	6,705	6,930	7,137	7,330	7,515	7,694	6,686	5,711	210,847	
- Accelerated CCA	0	0	0	0	0	0	0	45,900	79,580	0	0	0	0	0	0	0	0	0	125,480	
= Resource Profits	0	0	0	105,752	73,808	40,544	17,310	12,063	41,348	187,847	153,127	116,976	79,342	162,285	123,974	84,077	173,311	133,827	1,505,592	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Mining Royalty Deduction	0	0	0	1,061	1,061	2,410	4,061	4,856	5,682	25,712	26,133	19,781	13,742	28,601	21,803	14,721	31,074	24,262	224,960	
- CEE	0	0	0	0	0	0	0	0	30,277	82,436	0	0	0	0	0	0	0	0	112,713	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	8,965	7,318	5,601	4,708	2,403	-	0	0	0	0	0	0	0	0	0	28,997	
= Net Profit	0	0	0	95,726	65,429	32,532	8,540	4,804	5,390	79,699	126,994	97,195	65,600	133,684	102,171	69,356	142,237	109,565	1,138,922	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	95,726	65,429	32,532	8,540	4,804	5,390	79,699	126,994	97,195	65,600	133,684	102,171	69,356	142,237	109,565	1,138,922	
Basic Federal Income Tax	0	0	0	26,803	17,339	8,458	2,135	1,129	1,186	17,534	27,939	21,383	14,432	29,410	22,478	15,258	31,292	24,104	260,880	
Federal Income Surtax	0	0	0	1,072	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,072	
- Resource Income Tax Reduction	0	0	0	6,701	4,580	2,277	598	336	377	5,579	8,890	6,804	4,592	9,358	7,152	4,855	9,957	7,670	79,725	
- Atlantic ITC	0	0	0	21,175	7,894	762	777	793	808	825	841	858	875	893	910	929	0	0	38,339	
- Exploration Expense ITC	0	0	0	4,864	5,419	760	0	0	0	0	0	0	0	0	0	0	0	0	11,044	
Federal Income Tax	0	0	0	0	0	0	0	0	0	11,130	18,208	13,721	8,965	19,160	14,415	9,475	21,336	16,435	132,845	
Provincial Income Tax (\$000)																				
Taxable Income (from Federal Calc'n)	0	0	0	95,726	65,429	32,532	8,540	4,804	5,390	79,699	126,994	97,195	65,600	133,684	102,171	69,356	142,237	109,565	1,138,922	
Provincial Income Tax	0	0	0	11,487	7,851	3,904	1,025	576	647	9,564	15,239	11,663	7,872	16,042	12,261	8,323	17,068	13,148	136,671	
Provincial Capital Tax (\$000)																				
Taxable Capital	44,669	115,081	181,068	231,995	243,572	225,355	244,211	301,119												
Provincial Mining Tax (\$000)																				
Metallic Minerals Royalty																				
Mine Revenue (net of transportation, smelting and further processing costs)	0	0	0	337,285	309,627	280,729	322,136	365,088	409,629	455,805	426,178	395,183	362,778	452,263	419,371	384,983	479,945	445,040	5,846,040	
- Milling costs	0	0	0	150,585	153,597	156,669	159,802	162,998	166,258	169,584	172,975	176,435	179,964	183,563	187,234	190,979	194,798	198,694	2,604,136	
- Processing allowance	0	0	0	12,314	12,314	12,314	12,314	12,314	12,314	12,314	12,314	12,314	12,314	12,314	12,314	12,314	12,314	12,314	184,709	
= Net Revenue	0	0	0	174,385	143,716	111,746	150,020	189,775	231,056	273,907	240,888	206,434	170,500	256,386	219,823	181,690	272,833	234,032	3,057,195	
Metallic minerals royalty	0	0	0	0	0	2,235	3,000	3,796	4,621	5,478	4,818	4,129	3,410	5,128	4,396	3,634	5,457	4,681	54,782	
Mining Tax																				
Net Operating Revenue	0	0	0	109,125	76,905	43,352	80,011	118,120	157,722	198,860	164,094	127,857	90,106	174,138	135,683	95,621	184,796	143,988	1,900,379	
- Exploration Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Depreciation Allowance	0	0	0	62,604	32,676	13,455	35,330	77,804	125,530	48,761	8,172	8,308	8,455	8,612	8,776	8,946	5,965	3,977	457,371	
- Financing Allowance	0	0	0	24,204	22,187	21,720	19,516	13,925	4,530	1,289	1,308	1,329	1,353	1,378	1,404	1,432	954	636	117,166	
- Provincial royalties, rental and charges	0	0	0	0	0	2,235	3,000	3,796	4,621	5,478	4,818	4,129	3,410	5,128	4,396	3,634	5,457	4,681	54,782	
- 3rd party royalty, not to the province	0	0	0	3,373	3,096	2,807	3,221	3,651	4,096	4,558	4,262	3,952	0	0	0	0	0	0	33,017	
= Profit before pro all	0	0	0	18,944	18,944	3,134	18,944	18,944	18,944	138,774	145,535	110,140	76,887	159,020	121,106	81,609	172,421	134,695	1,238,043	
- Processing Allowance	0	0	0	12,314	12,314	2,037	12,314	12,314	12,314	12,314	12,314	12,314	12,314	12,314	12,314	12,314	12,314	12,314	174,432	
= Taxable Income for Mining Tax	0	0	0	6,631	6,631	1,097	6,631	6,631	6,631	126,460	133,221	97,826	64,574	146,706	108,792	69,295	160,107	122,381	1,063,611	
Mining tax	0	0	0	1,061	1,061	175	1,061	1,061	1,061	20,234	21,315	15,652	10,332	23,473	17,407	11,087	25,617	19,581	170,178	
Provincial Mining Tax	0	0	0	1,061	1,061	2,410	4,061	4,856	5,682	25,712	26,133	19,781	13,742	28,601	21,803	14,721	31,074	24,262	224,960	
Royalty Holder Mining Tax (\$000)																				
Royalty income	0	0	0	3,373	3,096	2,807	3,221	3,651	4,096	4,558	4,262	3,952	0	0	0	0	0	0	33,017	
Mining tax on royalty income	0	0	0	540	495	449	515	584	655	729	682	632	0	0	0	0	0	0	5,283	

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Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 15%IRR (NWT), After Tax																				
New Brunswick																				
Cash Flow from Operations (\$000)																				Total
Net operating revenue		0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	383,391
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense	1,081	3,793	7,101	8,965	7,318	5,601	4,708	2,403	-	0	0	0	0	0	0	0	0	0	0	40,972
- Fed. Income Tax	0	0	0	0	0	0	0	0	0	0	11,130	18,208	13,721	8,965	19,160	14,415	9,475	21,336	16,435	132,845
- Provincial Income Tax	0	0	0	11,487	7,851	3,904	1,025	576	647	9,564	15,239	11,663	7,872	16,042	12,261	8,323	17,068	13,148	0	136,671
- Provincial Capital Tax	134	345	453	464	244	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,639
- Provincial Mining Tax	0	0	0	1,061	1,061	2,410	4,061	4,856	5,682	25,712	26,133	19,781	13,742	28,601	21,803	14,721	31,074	24,262	0	224,960
= Net Cash Flow from Operations, After Tax	-102,715	-152,548	-153,730	76,453	49,865	21,010	59,225	98,708	139,212	139,650	91,841	70,161	47,149	96,886	73,906	49,966	110,519	85,694	0	801,252

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 15%IRR (NWT), After Tax																				
Nova Scotia																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918	
- Normal CCA	0	0	0	0	0	0	41,036	61,118	37,949	6,455	6,705	6,930	7,137	7,330	7,515	7,694	6,686	5,711	202,266	
- Accelerated CCA	0	0	0	0	0	0	0	38,723	95,339	0	0	0	0	0	0	0	0	0	134,061	
= Resource Profits	0	0	0	105,752	73,808	40,544	35,754	14,629	20,338	187,847	153,127	116,976	79,342	162,285	123,974	84,077	173,311	133,827	1,505,591	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Mining Royalty Deduction	0	0	0	6,746	6,193	5,615	6,443	7,302	14,828	22,584	18,472	13,800	8,664	21,630	16,107	10,261	24,169	18,420	201,233	
- CEE	0	0	0	0	0	0	0	0	120	112,594	0	0	0	0	0	0	0	0	112,713	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	8,966	7,319	5,602	4,842	2,523	-	0	0	0	0	0	0	0	0	0	29,252	
= Net Profit	0	0	0	90,041	60,297	29,328	24,469	4,804	5,390	52,669	134,656	103,176	70,677	140,654	107,867	73,816	149,142	115,407	1,162,392	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	90,041	60,297	29,328	24,469	4,804	5,390	52,669	134,656	103,176	70,677	140,654	107,867	73,816	149,142	115,407	1,162,392	
Basic Federal Income Tax	0	0	0	25,211	15,979	7,625	6,117	1,129	1,186	11,587	29,624	22,699	15,549	30,944	23,731	16,240	32,811	25,389	265,821	
Federal Income Surtax	0	0	0	1,008	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,008	
- Resource Income Tax Reduction	0	0	0	6,303	4,221	2,053	1,713	336	377	3,687	9,426	7,222	4,947	9,846	7,551	5,167	10,440	8,078	81,367	
- Atlantic ITC	0	0	0	19,917	9,152	762	777	793	808	825	841	858	875	893	910	929	0	0	38,339	
- Exploration Expense ITC	0	0	0	2,606	4,810	3,627	0	0	0	0	0	0	0	0	0	0	0	0	11,044	
Federal Income Tax	0	0	0	0	0	0	0	0	0	7,076	19,357	14,618	9,726	20,206	15,270	10,144	22,371	17,311	136,079	
Provincial Income Tax (\$000)																				
Taxable Income (from Federal Calc'n)	0	0	0	90,041	60,297	29,328	24,469	4,804	5,390	52,669	134,656	103,176	70,677	140,654	107,867	73,816	149,142	115,407	1,162,392	
Provincial Income Tax	0	0	0	10,805	7,236	3,519	2,936	576	647	6,320	16,159	12,381	8,481	16,879	12,944	8,858	17,897	13,849	139,487	
Provincial Capital Tax (\$000)																				
Taxable Capital	49,668	120,080	186,067	231,934	238,761	217,398	231,595	285,795												
Capital Tax	149	330	465	522	478	326	232	143												2,644
Provincial Mining Tax (\$000)																				
Net Revenue Royalty																				
Mine Revenue (net of transportation, smelting and further processing costs)	0	0	0	337,285	309,627	280,729	322,136	365,088	409,629	455,805	426,178	395,183	362,778	452,263	419,371	384,983	479,945	445,040	5,846,040	
Net revenue royalty	0	0	0	6,746	6,193	5,615	6,443	7,302	8,193	9,116	8,524	7,904	7,256	9,045	8,387	7,700	9,599	8,901	116,921	
Mining Tax																				
Net Operating Revenue	0	0	0	109,125	76,905	43,352	80,011	118,120	157,722	198,860	164,094	127,857	90,106	174,138	135,683	95,621	184,796	143,988	1,900,379	
- Exploration expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Depreciation Allowance	0	0	0	85,444	53,224	19,671	80,378	58,642	43,475	32,906	25,558	20,464	16,950	14,543	12,911	11,824	8,277	5,794	490,062	
= Profit before proc all	0	0	0	23,681	23,681	23,681	0	59,478	114,247	165,954	138,536	107,393	73,156	159,595	122,772	83,797	176,520	138,195	1,410,684	
- Processing Allowance	0	0	0	15,392	15,392	15,392	0	15,392	15,392	15,392	15,392	15,392	15,392	15,392	15,392	15,392	15,392	15,392	215,494	
= Taxable Income for Mining Tax	0	0	0	8,288	8,288	8,288	0	44,086	98,854	150,561	123,144	92,001	57,763	144,202	107,380	68,405	161,127	122,802	1,195,190	
Mining tax	0	0	0	1,243	1,243	1,243	0	6,613	14,828	22,584	18,472	13,800	8,664	21,630	16,107	10,261	24,169	18,420	179,278	
Provincial Mining Tax	0	0	0	6,746	6,193	5,615	6,443	7,302	14,828	22,584	18,472	13,800	8,664	21,630	16,107	10,261	24,169	18,420	201,233	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255	
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934	
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	383,391	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	1,082	3,793	7,101	8,966	7,319	5,602	4,842	2,523	-	0	0	0	0	0	0	0	0	0	41,228	
- Fed. Income Tax	0	0	0	0	0	0	0	0	0	7,076	19,357	14,618	9,726	20,206	15,270	10,144	22,371	17,311	136,079	
- Provincial Income Tax	0	0	0	10,805	7,236	3,519	2,936	576	647	6,320	16,159	12,381	8,481	16,879	12,944	8,858	17,897	13,849	139,487	
- Provincial Capital Tax	149	330	465	522	478	326	232	143	0	0	0	0	0	0	0	0	0	0	2,644	
- Provincial Mining Tax	0	0	0	6,746	6,193	5,615	6,443	7,302	14,828	22,584	18,472	13,800	8,664	21,630	16,107	10,261	24,169	18,420	201,233	
= Net Cash Flow from Operations, After Tax	-102,731	-152,533	-153,743	71,392	45,115	17,864	54,566	95,999	130,066	150,076	97,434	74,527	50,855	101,975	78,065	53,222	115,559	89,958	817,666	

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 15%IRR (NWT), After Tax Newfoundland & Labrador																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918	
- Normal CCA	0	0	0	0	0	0	66,093	54,845	31,533	6,455	6,705	6,930	7,137	7,330	7,515	7,694	6,686	5,711	214,635	
- Accelerated CCA	0	0	0	0	0	0	0	45,569	76,090	0	0	0	0	0	0	0	0	0	121,659	
= Resource Profits	0	0	0	105,752	73,808	40,544	10,697	14,056	46,002	187,847	153,127	116,976	79,342	162,285	123,974	84,077	173,311	133,827	1,505,624	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Mining Royalty Deduction	0	0	0	520	592	668	639	6,881	17,284	22,920	17,685	12,125	6,981	22,478	16,338	9,910	24,404	18,230	177,654	
- CEE	0	0	0	0	0	0	0	0	23,328	89,371	0	0	0	0	0	0	0	0	112,699	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	8,924	7,284	5,575	4,645	2,371	0	0	0	0	0	0	0	0	0	0	28,800	
= Net Profit	0	0	0	96,309	65,931	34,301	5,413	4,804	5,390	75,556	135,442	104,851	72,361	139,806	107,636	74,167	148,907	115,597	1,186,471	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	96,309	65,931	34,301	5,413	4,804	5,390	75,556	135,442	104,851	72,361	139,806	107,636	74,167	148,907	115,597	1,186,471	
Basic Federal Income Tax	0	0	0	26,967	17,472	8,918	1,353	1,129	1,186	16,622	29,797	23,067	15,919	30,757	23,680	16,317	32,760	25,431	271,375	
Federal Income Surtax	0	0	0	1,079	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,079	
- Resource Income Tax Reduction	0	0	0	6,742	4,615	2,401	379	336	377	5,289	9,481	7,340	5,065	9,786	7,535	5,192	10,424	8,092	83,053	
- Atlantic ITC	0	0	0	21,304	7,765	762	777	793	808	825	841	858	875	893	910	929	0	0	38,339	
- Exploration Expense ITC	0	0	0	0	5,091	5,755	197	0	0	0	0	0	0	0	0	0	0	0	11,044	
Federal Income Tax	0	0	0	0	0	0	-	-	0	10,509	19,475	14,870	9,979	20,078	15,235	10,196	22,336	17,340	140,018	
Provincial Income Tax (\$000)																				
Taxable Income (from Federal Calc'n)	0	0	0	96,309	65,931	34,301	5,413	4,804	5,390	75,556	135,442	104,851	72,361	139,806	107,636	74,167	148,907	115,597	1,186,471	
Provincial Income Tax	0	0	0	13,483	9,230	4,802	758	673	755	10,578	18,962	14,679	10,131	19,573	15,069	10,383	20,847	16,184	166,106	
Provincial Mining Tax (\$000)																				
Net Operating Revenue	0	0	0	109,125	76,905	43,352	80,011	118,120	157,722	198,860	164,094	127,857	90,106	174,138	135,683	95,621	184,796	143,988	1,900,379	
- Exploration Allowance	0	0	0	0	0	0	0	13,005	0	0	0	0	0	0	0	0	0	0	13,005	
- Depreciation Allowance	0	0	0	84,131	51,310	17,146	53,182	33,578	19,674	16,797	14,680	13,134	12,017	11,222	10,670	10,302	8,887	6,665	363,395	
- Preproduction Allowance	0	0	0	5,462	5,462	5,462	5,462	5,462	5,462	5,462	5,462	5,462	5,462	5,462	5,462	5,462	5,462	5,462	5,462	
- Provincial royalties, rental and charges	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Profit before proc all	0	0	0	19,532	20,132	20,743	21,367	66,075	132,585	176,601	143,952	109,261	72,627	157,453	119,551	79,857	170,447	131,861	1,442,044	
- Processing Allowance	0	0	0	12,696	13,086	13,483	13,889	14,302	14,724	15,154	15,593	16,041	16,497	16,963	17,438	17,922	17,922	17,922	233,631	
= Net Income	0	0	0	6,836	7,046	7,260	7,478	51,773	117,861	161,447	128,359	93,221	56,130	140,491	102,113	61,935	152,525	113,938	1,208,413	
- 3rd party royalty, not to the province, or	0	0	0	3,373	3,096	2,807	3,221	3,651	4,096	4,558	4,262	3,952	0	0	0	0	0	0	33,017	
- 20% of net income for mining tax	0	0	0	1,367	1,409	1,452	1,496	10,355	23,572	32,289	25,672	18,644	11,226	28,098	20,423	12,387	30,505	22,788	241,683	
= Taxable Income for Pt (a) Mining Tax	0	0	0	3,463	3,950	4,453	4,257	41,418	94,289	129,157	102,687	74,577	44,904	112,392	81,690	49,548	122,020	91,151	959,957	
Pt (a) base mining tax	0	0	0	520	592	668	639	6,213	14,143	19,374	15,403	11,187	6,736	16,859	12,254	7,432	18,303	13,673	143,994	
Prov. corp income tax (for credit)	0	0	0	0	0	0	0	673	755	10,578	18,962	14,679	10,131	0	0	0	0	0	0	
- Prov. Income tax credit (max \$2000)	0	0	0	0	0	0	0	673	755	2,000	2,000	2,000	2,000	0	0	0	0	0	9,427	
Pt (a) mining tax	0	0	0	520	592	668	639	5,540	13,389	17,374	13,403	9,187	4,736	16,859	12,254	7,432	18,303	13,673	134,566	
Net income base for Pt (b) mining tax	0	0	0	1,367	1,409	1,452	1,496	10,355	23,572	32,289	25,672	18,644	11,226	28,098	20,423	12,387	30,505	22,788	241,683	
- 3rd party royalty, not to the province	0	0	0	3,373	3,096	2,807	3,221	3,651	4,096	4,558	4,262	3,952	0	0	0	0	0	0	33,017	
= Taxable income for mineral rights tax	0	0	0	0	0	0	0	6,704	19,476	27,731	21,410	14,692	11,226	28,098	20,423	12,387	30,505	22,788	215,440	
Pt (b) mining tax	0	0	0	0	0	0	0	1,341	3,895	5,546	4,282	2,938	2,245	5,620	4,085	2,477	6,101	4,558	43,088	
Provincial Mining Tax	0	0	0	520	592	668	639	6,881	17,284	22,920	17,685	12,125	6,981	22,478	16,338	9,910	24,404	18,230	177,654	
(Royalty Holder) Mineral Rights Tax (\$000)																				
Royalty income	0	0	0	3,373	3,096	2,807	3,221	3,651	4,096	4,558	4,262	3,952	0	0	0	0	0	0	33,017	
- Legal expenses, at 20% of income	0	0	0	675	619	561	644	730	819	912	852	790	0	0	0	0	0	0	6,603	
- Exploration expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable income for mineral rights tax	0	0	0	2,698	2,477	2,246	2,577	2,921	3,277	3,646	3,409	3,161	0	0	0	0	0	0	26,413	
Provincial Mineral Rights Tax	0	0	0	540	495	449	515	584	655	729	682	632	0	0	0	0	0	0	5,283	

Appendix 5b - BaseMetal15.xls

June 12, 2008

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 15%IRR (NWT), After Tax																				
Newfoundland & Labrador																				
Cash Flow from Operations (\$000)																				Total
Net operating revenue		0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	383,391
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense	1,078	3,780	7,070	8,924	7,284	5,575	4,645	2,371	0	0	0	0	0	0	0	0	0	0	0	40,728
- Fed. Income Tax	0	0	0	0	0	0	0	-	-	0	10,509	19,475	14,870	9,979	20,078	15,235	10,196	22,336	17,340	140,018
- Provincial Income Tax	0	0	0	13,483	9,230	4,802	758	673	755	10,578	18,962	14,679	10,131	19,573	15,069	10,383	20,847	16,184	166,106	0
- Provincial Capital Tax																				
- Provincial Mining Tax	0	0	0	520	592	668	639	6,881	17,284	22,920	17,685	12,125	6,981	22,478	16,338	9,910	24,404	18,230	177,654	
= Net Cash Flow from Operations, After Tax		-102,578	-152,190	-153,246	75,503	49,232	21,881	62,978	96,619	127,503	142,049	95,299	73,653	50,637	98,559	75,743	51,995	112,410	87,785	813,831

Appendix 5b - BaseMetal15.xls

June 12, 2008

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 15%IRR (NWT), After Tax Yukon																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918	
- Normal CCA	0	0	0	41,286	63,511	34,969	42,386	26,679	6,153	6,656	7,074	7,429	7,738	8,013	8,264	8,497	7,533	5,650	281,838	
- Accelerated CCA	0	0	0	0	1,255	0	28,290	63,433	0	0	0	0	0	0	0	0	0	0	92,977	
= Resource Profits	0	0	0	64,466	9,043	5,575	6,114	24,358	147,473	187,646	152,758	116,476	78,740	161,602	123,226	83,275	172,464	133,888	1,467,103	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Territorial Mining Royalty Deduction	0	0	0	5,615	1,759	0	1,701	5,971	10,578	17,065	16,185	11,818	7,325	17,502	12,867	8,039	18,889	14,145	149,458	
- CEE	0	0	0	0	0	0	0	16,134	96,565	0	0	0	0	0	0	0	0	0	112,699	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	8,924	7,284	5,575	4,413	2,252	0	0	0	0	0	0	0	0	0	0	28,449	
= Net Profit	0	0	0	49,927	0	-	0	0	40,330	170,581	136,573	104,658	71,415	144,100	110,359	75,236	153,574	119,743	1,176,496	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	49,927	0	0	0	0	40,330	170,581	136,573	104,658	71,415	144,100	110,359	75,236	153,574	119,743	1,176,496	
Basic Federal Income Tax	0	0	0	13,980	0	0	0	0	8,873	37,528	30,046	23,025	15,711	31,702	24,279	16,552	33,786	26,344	261,825	
Federal Income Surtax	0	0	0	559	0	0	0	0	0	0	0	0	0	0	0	0	0	0	559	
- Resource Income Tax Reduction	0	0	0	3,495	0	0	0	0	2,823	11,941	9,560	7,326	4,999	10,087	7,725	5,267	10,750	8,382	82,355	
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense ITC	0	0	0	11,044	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11,044	
Federal Income Tax	0	0	0	0	0	0	0	0	6,049	25,587	20,486	15,699	10,712	21,615	16,554	11,285	23,036	17,961	168,985	
Territorial Income Tax (\$000)																				
Taxable Income (from Federal Calc'n)	0	0	0	49,927	0	0	0	0	40,330	170,581	136,573	104,658	71,415	144,100	110,359	75,236	153,574	119,743	1,176,496	
Territorial Income Tax	0	0	0	7,489	0	0	0	0	6,049	25,587	20,486	15,699	10,712	21,615	16,554	11,285	23,036	17,961	176,474	
Quartz Mining Act Royalty (\$000)																				
Gross value of metal sales	0	0	0	337,285	309,627	280,729	322,136	365,088	409,629	455,805	426,178	395,183	362,778	452,263	419,371	384,983	479,945	445,040	5,846,040	
- Post-site product transport costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Smelter & refinery charges	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Net revenue for royalty	0	0	0	337,285	309,627	280,729	322,136	365,088	409,629	455,805	426,178	395,183	362,778	452,263	419,371	384,983	479,945	445,040	5,846,040	
- Operating costs	0	0	0	228,160	232,723	237,377	242,125	246,967	251,907	256,945	262,084	267,325	272,672	278,125	283,688	289,362	295,149	301,052	0	
- Current exploration costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Current mine development costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Pre-production Development Allowance	0	0	0	8,013	8,013	8,013	8,013	8,013	8,013	8,013	8,013	8,013	8,013	8,013	8,013	8,013	8,013	8,013	120,189	
- Depreciation Allowance	0	0	0	42,483	43,603	35,339	47,323	48,511	49,724	36,800	9,366	9,525	9,217	8,442	8,611	8,783	7,538	6,268	371,535	
- Community Ec Development Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Net Income for Royalty	0	0	0	58,630	25,289	0	24,676	61,596	99,985	154,047	146,715	110,319	72,876	157,683	119,060	78,825	169,246	129,708	1,408,654	
Territorial Mining Royalty	0	0	0	5,615	1,759	0	1,701	5,971	10,578	17,065	16,185	11,818	7,325	17,502	12,867	8,039	18,889	14,145	149,458	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255	
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934	
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	383,391	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	1,078	3,780	7,070	8,924	7,284	5,575	4,413	2,252	0	0	0	0	0	0	0	0	0	0	40,377	
- Fed. Income Tax	0	0	0	0	0	0	0	0	6,049	25,587	20,486	15,699	10,712	21,615	16,554	11,285	23,036	17,961	168,985	
- Territorial Income Tax	0	0	0	7,489	0	0	0	0	6,049	25,587	20,486	15,699	10,712	21,615	16,554	11,285	23,036	17,961	176,474	
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Territorial Mining Tax	0	0	0	5,615	1,759	0	1,701	5,971	10,578	17,065	16,185	11,818	7,325	17,502	12,867	8,039	18,889	14,145	149,458	
= Net Cash Flow from Operations, After Tax	-102,578	-152,190	-153,246	76,402	57,296	27,351	62,906	98,320	122,864	117,816	94,264	72,111	48,978	99,957	76,411	51,875	115,035	89,470	803,043	

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June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 15%IRR (NWT), After Tax																				
Western Australia																				
Australia Federal Corporate Income Tax + Western Australia Base Metal Royalty																				
Federal Income Tax (\$000)																				
Net Operating Revenue		0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918
- Depreciation		20,700	47,844	62,206	45,741	34,259	26,267	20,718	16,880	14,242	12,443	11,233	13,916	11,850	16,021	11,871	17,200	0	0	383,391
- Exploration Expenses		0	0	0	38,255	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Allowable Capital expenditures		0	0	0	8,193	7,374	6,637	5,973	5,376	4,838	4,838	4,838	4,838	4,838	4,838	4,838	4,838	4,838	4,838	81,934
- Interest					20,852	7,284	5,575	5,010	2,974	0	0	0	0	0	0	0	0	0	0	41,695
- Investment Allowance					28,322	747	762	777	793	808	825	841	858	875	893	910	929	0	0	38,339
- State Mining Royalty		0	0	0	16,864	15,481	14,036	16,107	18,254	20,481	22,790	21,309	19,759	18,139	22,613	20,969	19,249	23,997	22,252	292,302
- R&D																				0
= Net Profit		-20,700	-47,844	-62,206	-52,475	8,662	-12,733	28,206	70,193	113,256	153,406	121,611	84,534	50,776	125,251	92,902	49,555	151,161	112,448	966,002
- Losses Carried Forward		0	0	0	0	8,662	0	28,206	70,193	88,897	0	0	0	0	0	0	0	0	0	195,958
= Taxable Income		0	0	0	0	0	0	0	0	24,359	153,406	121,611	84,534	50,776	125,251	92,902	49,555	151,161	112,448	966,002
Federal Income Tax		0	0	0	0	0	0	0	0	7,308	46,022	36,483	25,360	15,233	37,575	27,870	14,866	45,348	33,734	289,801
State Royalty (\$000)																				
Net Sales (sales - post-site charges)		0	0	0	337,285	309,627	280,729	322,136	365,088	409,629	455,805	426,178	395,183	362,778	452,263	419,371	384,983	479,945	445,040	5,846,040
Royalty		0	0	0	16,864	15,481	14,036	16,107	18,254	20,481	22,790	21,309	19,759	18,139	22,613	20,969	19,249	23,997	22,252	292,302
Cash Flow from Operations (\$000)																				
Net operating revenue		0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918
- Property Acquisition		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense		0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Development Expense		0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
- Capital Plant & Infrastructure		0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	383,391
- Working Capital (withdrawal is -ve)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Contribution to		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest on		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Withdrawal from		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense		1,078	3,780	7,070	8,924	7,284	5,575	5,010	2,974	0	0	0	0	0	0	0	0	0	0	41,695
- Fed. Income Tax		0	0	0	0	0	0	0	0	7,308	46,022	36,483	25,360	15,233	37,575	27,870	14,866	45,348	33,734	289,801
- Fed. Large Corp. Tax																				0
- Provincial Capital Tax																				0
- State Mining Royalty		0	0	0	16,864	15,481	14,036	16,107	18,254	20,481	22,790	21,309	19,759	18,139	22,613	20,969	19,249	23,997	22,252	292,302
= Net Cash Flow from Operations, After Tax		-102,578	-152,190	-153,246	72,642	43,574	13,314	47,903	85,316	117,752	117,244	93,629	70,207	44,356	100,501	73,546	48,369	110,651	83,552	714,540

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June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 15%IRR (NWT), After Tax																				
South Australia																				
Australia Federal Corporate Income Tax + South Australia Base Metal Royalty																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918	
- Depreciation	20,700	47,844	62,206	45,741	34,259	26,267	20,718	16,880	14,242	12,443	11,233	13,916	11,850	16,021	11,871	17,200	0	0	0	383,391
- Exploration Expenses	0	0	0	38,255	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Allowable Capital expenditures	0	0	0	8,193	7,374	6,637	5,973	5,376	4,838	4,838	4,838	4,838	4,838	4,838	4,838	4,838	4,838	4,838	4,838	81,934
- Interest	0	0	0	20,852	7,284	5,575	4,592	2,344	0	0	0	0	0	0	0	0	0	0	0	40,647
- Investment Allowance	0	0	0	28,322	747	762	777	793	808	825	841	858	875	893	910	929	0	0	0	38,339
- State Mining Royalty	0	0	0	5,059	4,644	4,211	4,832	12,778	14,337	15,953	14,916	13,831	12,697	15,829	14,678	13,474	16,798	15,576	0	179,616
- R&D	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Net Profit	-20,700	-47,844	-62,206	-40,670	19,499	-2,907	39,898	76,299	119,400	160,243	128,003	90,462	56,218	132,035	99,192	55,330	158,361	119,123	1,079,736	
- Losses Carried Forward	0	0	0	0	19,499	0	39,898	76,299	38,631	0	0	0	0	0	0	0	0	0	0	174,327
= Taxable Income	0	0	0	0	0	0	0	0	80,769	160,243	128,003	90,462	56,218	132,035	99,192	55,330	158,361	119,123	1,079,736	
Federal Income Tax	0	0	0	0	0	0	0	0	24,231	48,073	38,401	27,139	16,865	39,610	29,758	16,599	47,508	35,737	323,921	
State Royalty (\$000)																				
Mine Revenue (sales - post-site charges)	0	0	0	337,285	309,627	280,729	322,136	365,088	409,629	455,805	426,178	395,183	362,778	452,263	419,371	384,983	479,945	445,040	5,846,040	
- prescribed costs	<i>already deducted for revenue value</i>																			
Proceeds for royalty	0	0	0	337,285	309,627	280,729	322,136	365,088	409,629	455,805	426,178	395,183	362,778	452,263	419,371	384,983	479,945	445,040	5,846,040	
Royalty	0	0	0	5,059	4,644	4,211	4,832	0	0	0	0	0	0	0	0	0	0	0	0	18,747
at reduced rate for 1st 5 yr	0	0	0	0	0	0	0	12,778	14,337	15,953	14,916	13,831	12,697	15,829	14,678	13,474	16,798	15,576	160,869	
on remainder	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Royalty	0	0	0	5,059	4,644	4,211	4,832	12,778	14,337	15,953	14,916	13,831	12,697	15,829	14,678	13,474	16,798	15,576	179,616	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	383,391
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	1,078	3,780	7,070	8,924	7,284	5,575	4,592	2,344	0	0	0	0	0	0	0	0	0	0	0	40,647
- Fed. Income Tax	0	0	0	0	0	0	0	0	24,231	48,073	38,401	27,139	16,865	39,610	29,758	16,599	47,508	35,737	323,921	
- Provincial Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- State Mining Royalty	0	0	0	5,059	4,644	4,211	4,832	12,778	14,337	15,953	14,916	13,831	12,697	15,829	14,678	13,474	16,798	15,576	179,616	
= Net Cash Flow from Operations, After Tax	-102,578	-152,190	-153,246	84,447	54,411	23,140	59,596	91,422	106,973	122,030	98,104	74,356	48,165	105,250	77,950	52,411	115,691	88,224	794,154	

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June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 15%IRR (NWT), After Tax Sweden																				
Federal Income Tax (\$000)																				
Net Operating Revenue		0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918
- Depreciation		20,700	47,844	62,206	45,741	34,259	26,267	20,718	16,880	14,242	12,443	11,233	13,916	11,850	16,021	11,871	17,200	0	0	383,391
- Exploration Expenses		0	0	0	38,255	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Allowable Capital expenditures		0	0	0	8,193	7,374	6,637	5,973	5,376	4,838	4,838	4,838	4,838	4,838	4,838	4,838	4,838	4,838	4,838	81,934
- Interest		0	0	0	20,852	7,284	5,575	4,437	2,265	0	0	0	0	0	0	0	0	0	0	40,413
- Investment Allowance		0	0	0	28,322	747	762	777	793	808	825	841	858	875	893	910	929	929	929	38,339
- State Mining Royalty		0	0	0	675	619	561	644	730	819	912	852	790	726	905	839	770	960	890	11,692
- R&D		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Net Profit		-20,700	-47,844	-62,206	-36,285	23,524	742	44,241	88,426	132,918	175,285	142,067	103,503	68,189	146,959	113,031	68,034	174,199	133,810	1,247,894
- Losses Carried Forward		0	0	0	0	23,524	742	44,241	88,426	10,102	0	0	0	0	0	0	0	0	0	167,035
= Taxable Income		0	0	0	0	0	0	0	0	122,816	175,285	142,067	103,503	68,189	146,959	113,031	68,034	174,199	133,810	1,247,894
Federal Income Tax		0	0	0	0	0	0	0	0	34,389	49,080	39,779	28,981	19,093	41,149	31,649	19,050	48,776	37,467	349,410
Royalty (\$000)																				
Mine Revenue (sales - post-site charges)		0	0	0	337,285	309,627	280,729	322,136	365,088	409,629	455,805	426,178	395,183	362,778	452,263	419,371	384,983	479,945	445,040	5,846,040
- prescribed costs					<i>already deducted for revenue value</i>															
Proceeds for royalty		0	0	0	337,285	309,627	280,729	322,136	365,088	409,629	455,805	426,178	395,183	362,778	452,263	419,371	384,983	479,945	445,040	5,846,040
Royalty		0	0	0	675	619	561	644	730	819	912	852	790	726	905	839	770	960	890	11,692
Cash Flow from Operations (\$000)																				
Net operating revenue		0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918
- Property Acquisition		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense		0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Development Expense		0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
- Capital Plant & Infrastructure		0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	383,391
- Working Capital (withdrawal is -ve)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Contribution to		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest on		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Withdrawal from		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense		1,078	3,780	7,070	8,924	7,284	5,575	4,437	2,265	0	0	0	0	0	0	0	0	0	0	40,413
- Fed. Income Tax		0	0	0	0	0	0	0	0	34,389	49,080	39,779	28,981	19,093	41,149	31,649	19,050	48,776	37,467	349,410
- Fed. Large Corp. Tax		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Provincial Capital Tax		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- State Mining Royalty		0	0	0	675	619	561	644	730	819	912	852	790	726	905	839	770	960	890	11,692
= Net Cash Flow from Operations, After Tax		-102,578	-152,190	-153,246	88,832	58,436	26,789	63,938	103,549	110,333	136,065	110,790	85,555	57,909	118,636	89,898	62,665	130,261	101,181	936,822
Opening Cash		0	0	-102,578	-254,768	-408,014	-319,183	-260,747	-233,958	-170,019	-66,470	43,863	179,927	290,717	376,272	434,181	552,817	642,715	705,380	835,641

**Medium Scale Base Metal Mine, 15%IRR (NWT), After Tax
USA, Alaska
Royalty: Alaska Mining License Tax and Production Royalty**

Federal Income Tax (\$000)	initial	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Net Revenue	0	0	0	0	337,285	309,627	280,729	322,136	365,088	409,629	455,805	426,178	395,183	362,778	452,263	419,371	384,983	479,945	445,040	5,846,040
- Operating Costs	0	0	0	0	231,533	235,819	240,185	245,346	250,618	256,003	261,503	266,346	271,277	276,300	282,648	287,882	293,212	299,948	305,502	4,004,122
Gross Income	0	0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918
Net assets for depreciation	0																			0
New exploration/acquisition to be amortized	0	12,500	12,750	13,005	0															38,255
Net exploration expense pool	0	10,000	17,700	23,054	15,403	7,752	2,601	0	0	0	0	0	0	0	0	0	0	0	0	76,510
New development to be amortized	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
Net development expense pool	0	16,000	31,584	52,652	36,265	19,878	7,491	0	0	0	0	0	0	0	0	0	0	0	0	163,869
- Depreciation					2,093	5,721	8,397	10,394	11,910	13,454	15,031	15,985	16,304	16,630	16,963	17,302	17,648	15,294	10,961	194,087
- Current exploration expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Amortized exploration expense		2,500	5,050	7,651	7,651	7,651	5,151	2,601	0	0	0	0	0	0	0	0	0	0	0	38,255
- Current development expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Amortized development expense		4,000	8,896	16,387	16,387	16,387	12,387	7,491	0	0	0	0	0	0	0	0	0	0	0	81,934
- Interest Expense		0	0	0	8,271	6,751	5,167	4,008	2,046	0	0	0	0	0	0	0	0	0	0	26,243
- State Income Tax		0	0	0	886	1,867	2,576	6,904	9,754	12,516	9,965	7,371	4,404	10,575	7,829	4,368	11,475	8,990	99,481	
- State Mining License Tax		0	0	0	0	0	1,681	5,628	7,814	10,087	7,990	5,754	3,208	8,479	5,913	3,203	9,053	6,705	75,516	
- State Royalty		0	0	0	2,497	1,533	494	1,441	2,412	3,349	4,323	3,424	2,466	1,375	3,634	2,534	1,373	3,880	2,873	37,609
- Environmental Tax		0	0	0	29	0	0	78	117	153	125	96	60	138	101	60	148	115	120	
- Reclamation Reserve Deduction		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Reclamation Reserve Income																				0
Depletable gross income					103,255	72,275	40,050	75,349	112,057	150,277	189,979	156,408	121,440	85,103	165,981	128,956	90,399	176,117	136,664	1,804,310
Net income before depletion					67,939	33,898	8,948	46,598	85,491	119,138	152,191	122,343	91,914	60,801	129,826	97,811	65,119	140,146	109,894	1,332,057
Additions to depletable cost of property	0	81,500	123,930	108,722	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	421,646
Unit cost of additions to depletable property	0																			0
Depletable cost of property	0	81,500	205,430	314,152	321,474	328,943	336,561	344,332	352,258	360,342	368,588	376,999	385,578	394,329	403,255	412,360	421,646	421,646	421,646	290,237
Unreduced cost depletion					13,222	12,444	11,576	13,644	15,902	18,377	21,105	20,409	19,616	18,706	24,307	23,579	22,733	28,340	26,279	
Net depletion pool					298,758	290,326	286,368	277,562	260,835	235,859	202,310	176,311	158,773	148,202	120,612	101,346	87,900	49,154	19,088	
Cost depletion	0	0	0	0	13,222	12,444	11,576	13,644	15,902	18,377	21,105	20,409	19,616	18,706	24,307	23,579	22,733	28,340	26,279	290,237
% depletion					22,716	15,900	4,474	16,577	24,653	33,061	41,795	34,410	26,717	18,723	36,516	28,370	19,888	38,746	30,066	392,611
- Depletion Allowance					22,716	15,900	11,576	16,577	24,653	33,061	41,795	34,410	26,717	18,723	36,516	28,370	22,733	38,746	30,066	402,558
= Taxable income before sp. dedns		-6,500	-13,946	-24,038	45,223	17,997	-2,628	30,021	60,838	86,077	110,396	87,933	65,197	42,078	93,310	69,441	42,386	101,400	79,828	885,015
- Losses carried forward		0	0	0	44,484	0	0	2,628	0	0	0	0	0	0	0	0	0	0	0	47,112
- Losses carried back																				0
cumulative operating losses, prior years		6,500	20,446	44,484	0	0	2,628	0	0	0	0	0	0	0	0	0	0	0	0	0
cumulative operating losses, future years																				0
= Taxable Income		0	0	0	739	17,997	0	27,393	60,838	86,077	110,396	87,933	65,197	42,078	93,310	69,441	42,386	101,400	79,828	885,015
Regular Federal Income Tax		0	0	0	259	6,299	0	9,588	21,293	30,127	38,639	30,777	22,819	14,727	32,659	24,304	14,835	35,490	27,940	309,755
Alternative Minimum Tax Calculation																				
Regular taxable income	0	0	0	0	739	17,997	0	27,393	60,838	86,077	110,396	87,933	65,197	42,078	93,310	69,441	42,386	101,400	79,828	885,015
+ excess % depletion		0	0	0	9,494	3,457	0	2,933	8,751	14,684	20,691	14,001	7,101	17	12,209	4,792	0	10,406	3,787	112,321
depreciation claimed above		0	0	0	2,093	5,721	8,397	10,394	11,910	13,454	15,031	15,985	16,304	16,630	16,963	17,302	17,648	15,294	10,961	194,087
net assets for depreciation	0	103,500	270,270	413,845	364,121	269,682	202,430	154,602	120,602	85,723	49,863	32,033	32,674	33,328	33,994	34,674	35,367	23,897	15,676	2,276,282
150% decl bal depreciation					60,708	105,641	78,679	59,485	45,889	47,006	48,230	30,446	12,228	12,473	12,722	12,977	13,236	11,471	8,220	559,410
+ depreciation adjustment		0	0	0	-58,615	-99,920	-70,282	-49,091	-33,979	-33,551	-33,199	-14,461	4,076	4,158	4,241	4,326	4,412	3,824	2,740	-365,324
current expl/mine dev claimed above	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
net expl/mine dev for amortization	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
current expl/mine dev amortized	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ exploration/development adjustment																				0
AMTI before current earnings adjustment		0	0	0	-48,383	-78,467	-70,282	-18,764	35,611	67,210	97,888	87,472	76,375	46,253	109,760	78,558	46,798	115,629	86,356	632,013
+ adj current earnings adjustment		0	0	0	72,763	74,898	51,111	40,862	30,188	29,926	29,691	16,474	3,383	3,654	4,782	5,444	3,444	7,746	9,117	383,484
AMTI before AMT/NOL adjustment		0	0	0	24,381	-3,568	-19,171	22,098	65,799	97,135	127,579	103,946	79,757	49,907	114,542	84,002	50,242	123,375	95,472	1,015,497
- Losses carried forward		0	0	0	0	0	0	22,098	641	0	0	0	0	0	0	0	0	0	0	22,740
cumulative operating losses, prior years		0	0	0	0	3,568	22,740	641	0	0	0	0	0	0	0	0	0	0	0	0

**Medium Scale Base Metal Mine, 15%IRR (NWT), After Tax
USA, Alaska**

Royalty: Alaska Mining License Tax and Production Royalty

Alternative minimum taxable income	0	0	0	24,381	-3,568	-19,171	0	65,158	97,135	127,579	103,946	79,757	49,907	114,542	84,002	50,242	123,375	95,472	992,757
Tentative alternative minimum tax	0	0	0	4,876	0	0	0	13,032	19,427	25,516	20,789	15,951	9,981	22,908	16,800	10,048	24,675	19,094	203,099
- AMT exemption amount	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Regular income tax	0	0	0	259	6,299	0	9,588	21,293	30,127	38,639	30,777	22,819	14,727	32,659	24,304	14,835	35,490	27,940	309,755
Alternative minimum tax	0	0	0	4,618	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,618
Environmental Tax																			
Alternative minimum taxable income	0	0	0	24,381	0	0	0	65,158	97,135	127,579	103,946	79,757	49,907	114,542	84,002	50,242	123,375	95,472	1,015,497
+ environmental tax deducted in calcs	0	0	0	29	0	0	0	78	117	153	125	96	60	138	101	60	148	115	1,220
- exemption	0	0	0	2	0	0	0	2	2	2	2	2	2	2	2	2	2	2	24
Environmental taxable income	0	0	0	24,408	0	0	0	65,234	97,250	127,730	104,069	79,851	49,965	114,678	84,101	50,301	123,521	95,585	1,016,693
Environmental tax	0	0	0	29	0	0	0	78	117	153	125	96	60	138	101	60	148	115	1,220
Federal Income Tax	0	0	0	4,905	6,299	0	9,588	21,372	30,244	38,792	30,901	22,915	14,787	32,796	24,405	14,896	35,638	28,055	315,593

Alaska Income Tax (\$000)

Gross Income	0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918
- Depreciation	0	0	0	2,093	5,721	8,397	10,394	11,910	13,454	15,031	15,985	16,304	16,630	16,963	17,302	17,648	15,294	10,961	194,087
- Current exploration expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Amortized exploration expense	0	2,500	5,050	7,651	7,651	5,151	2,601	0	0	0	0	0	0	0	0	0	0	0	38,255
- Current development expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Amortized development expense	0	4,000	8,896	16,387	16,387	12,387	7,491	0	0	0	0	0	0	0	0	0	0	0	81,934
- Interest Expense	0	0	0	8,271	6,751	5,167	4,008	2,046	0	0	0	0	0	0	0	0	0	0	26,243
- State Income Tax	0	0	0	2,497	1,533	494	1,441	2,412	3,349	4,323	3,424	2,466	1,375	3,634	2,534	1,373	3,880	2,873	37,609
- Reclamation Reserve Deduction	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Reclamation Reserve Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Depletable gross income	0	0	0	103,255	72,275	40,050	75,349	112,057	150,277	189,979	156,408	121,440	85,103	165,981	128,956	90,399	176,117	136,664	1,804,310
Net income before depletion	0	0	0	68,854	35,765	8,948	50,855	98,102	136,823	174,948	140,423	105,135	68,473	149,018	111,653	72,750	160,823	125,704	1,508,274
Additions to depletable cost of property	0	81,500	123,930	108,722	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	421,646
Unit cost of additions to depletable property	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Depletable cost of property	0	81,500	205,430	314,152	321,474	328,943	336,561	344,332	352,258	360,342	368,588	376,999	385,578	394,329	403,255	412,360	421,646	421,646	421,646
Unreduced cost depletion	0	0	0	11,005	12,947	15,055	17,349	19,853	19,119	18,298	17,373	22,449	21,624	20,691	26,984	26,279	26,805	27,341	303,171
Net depletion pool	0	81,500	205,430	314,152	321,474	328,943	336,561	344,332	352,258	360,342	368,588	376,999	385,578	394,329	403,255	412,360	421,646	421,646	421,646
Cost depletion	0	0	0	11,005	12,947	15,055	17,349	19,853	19,119	18,298	17,373	22,449	21,624	20,691	26,984	26,279	26,805	27,341	303,171
% depletion	0	0	0	22,716	15,900	4,474	16,577	24,653	33,061	41,795	34,410	26,717	18,723	36,516	28,370	19,888	38,746	30,066	392,611
- Depletion Allowance	0	0	0	22,716	15,900	15,055	17,349	24,653	33,061	41,795	34,410	26,717	18,723	36,516	28,370	19,888	38,746	30,066	413,257
- Taxable income before sp. dedns	0	-6,500	-13,946	-24,038	46,138	19,864	-6,106	33,506	73,449	103,762	133,153	106,013	78,419	46,849	112,502	83,283	46,471	122,077	1,050,533
- Losses carried forward	0	0	0	44,484	0	0	6,106	0	0	0	0	0	0	0	0	0	0	0	50,590
- Losses carried back	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
cumulative operating losses, prior years	6,500	20,446	44,484	0	0	6,106	0	0	0	0	0	0	0	0	0	0	0	0	0
cumulative operating losses, future years	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Alaska taxable income	0	0	0	1,654	19,864	0	27,399	73,449	103,762	133,153	106,013	78,419	46,849	112,502	83,283	46,471	122,077	95,638	1,050,533
Regular Alaska income tax	0	0	0	155	1,867	0	2,576	6,904	9,754	12,516	9,965	7,371	4,404	10,575	7,829	4,368	11,475	8,990	98,750
Alaska Alternative Minimum Tax																			0
Regular Alaska taxable income	0	0	0	1,654	19,864	0	27,399	73,449	103,762	133,153	106,013	78,419	46,849	112,502	83,283	46,471	122,077	95,638	1,050,533
+ excess % depletion	0	0	0	9,494	3,457	0	2,933	8,751	14,684	20,691	14,001	7,101	17	12,209	4,792	0	10,406	3,787	112,321
+ depreciation adjustment	0	0	0	-58,615	-99,920	-70,282	-49,091	-33,979	-33,551	-33,199	-14,461	4,076	4,158	4,241	4,326	4,412	3,824	2,740	-365,324
+ exploration/development adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
AMTI before current earnings adjustment	0	0	0	-47,467	-76,600	-70,282	-18,758	48,221	84,894	120,645	105,553	89,596	51,023	128,952	92,400	50,883	136,306	102,165	797,531
+ adj current earnings adjustment	0	0	0	72,077	73,498	48,502	20,730	16,662	12,623	2,914	0	0	0	0	0	0	0	0	287,285
AMTI before AMT/NOL adjustment	0	0	0	24,609	-3,102	-21,780	21,521	68,957	107,557	133,268	108,466	89,596	51,023	128,952	92,400	50,883	136,306	102,165	1,084,816
- AMT/NOL Losses carried forward	0	0	0	0	0	0	21,521	3,361	0	0	0	0	0	0	0	0	0	0	24,882
cumulative operating losses, prior years	0	0	0	0	3,102	24,882	3,361	0	0	0	0	0	0	0	0	0	0	0	0
Alternative minimum taxable income	0	0	0	24,609	-3,102	-21,780	0	65,590	101,557	133,268	108,466	89,596	51,023	128,952	92,400	50,883	136,306	102,165	1,059,935
Tentative alternative minimum tax	0	0	0	886	0	0	0	2,361	3,656	4,798	3,905	3,225	1,837	4,642	3,326	1,832	4,907	3,678	39,053
- AMT exemption amount	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Regular income tax	0	0	0	155	1,867	0	2,576	6,904	9,754	12,516	9,965	7,371	4,404	10,575	7,829	4,368	11,475	8,990	98,750
Alternative minimum tax	0	0	0	730	0	0	0	0	0	0	0	0	0	0	0	0	0	0	730
Alaska Income Tax	0	0	0	886	1,867	0	2,576	6,904	9,754	12,516	9,965	7,371	4,404	10,575	7,829	4,368	11,475	8,990	99,481

**Medium Scale Base Metal Mine, 15%IRR (NWT), After Tax
USA, Alaska
Royalty: Alaska Mining License Tax and Production Royalty**

Alaska Mining License Tax and Production Royalty (\$000)	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total	
Alaska Mining License Tax																			
Gross Income	0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918
- Treatment process deduction																			0
= Net Income	0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918
Exploration/development expenses	0	32,500	37,230	50,459	0	0	0	0	0	0	0	0	0	0	0	0	0	0	120,189
Net exploration/development pool	0	32,500	69,730	120,189	115,251	110,717	106,607	101,890	96,544	90,546	83,872	77,632	71,845	66,534	59,911	53,771	48,134	41,106	34,590
Unit cost of new expl/dev	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Depreciation	0	0	0	2,093	5,721	8,397	10,394	11,910	13,454	15,031	15,985	16,304	16,963	17,302	17,648	15,294	10,961	194,087	194,087
- Amortized exploration expense				4,939	4,534	4,111	4,717	5,346	5,998	6,674	6,240	5,786	5,312	6,622	6,141	5,637	7,028	6,516	85,599
= Net income before depletion	0	0	0	98,721	63,554	28,037	61,679	97,214	134,174	172,597	137,607	101,815	64,536	146,030	108,047	68,486	157,675	122,061	1,562,232
Depletable cost of property	0	81,500	205,430	314,152	321,474	328,943	336,561	344,332	352,258	360,342	368,588	376,999	385,578	394,329	403,255	412,360	421,646	421,646	6,251,039
Net depletion pool	0	81,500	205,430	314,152	305,986	301,011	297,053	291,180	282,297	267,840	247,589	232,539	221,503	211,548	195,576	181,102	167,656	139,316	113,037
Cost depletion	0	0	0	13,222	12,444	11,576	13,644	15,902	18,377	21,105	20,409	19,616	18,706	24,307	23,579	22,733	28,340	26,279	290,237
% depletion				15,488	10,841	6,008	11,302	16,809	22,541	28,497	23,461	18,216	12,765	24,897	19,343	13,560	26,418	20,500	270,646
- Interest Expense	0	0	0	15,488	12,444	11,576	13,644	16,809	22,541	28,497	23,461	19,616	18,706	24,897	23,579	22,733	28,340	26,279	308,609
Mining license taxable income	0	0	0	83,233	51,110	16,461	48,036	80,406	111,632	144,100	114,146	82,199	45,830	121,133	84,468	45,753	129,335	95,782	1,253,623
Alaska mining license tax	0	0	0	0	0	0	1,681	5,628	7,814	10,087	7,990	5,754	3,208	8,479	5,913	3,203	9,053	6,705	75,516
Production Royalty																			
Net income for production royalty	0	0	0	83,233	51,110	16,461	48,036	80,406	111,632	144,100	114,146	82,199	45,830	121,133	84,468	45,753	129,335	95,782	1,253,623
Alaska Production Royalty	0	0	0	2,497	1,533	494	1,441	2,412	3,349	4,323	3,424	2,466	1,375	3,634	2,534	1,373	3,880	2,873	37,609
Alaska Mining License Tax and Royalty	0	0	0	2,497	1,533	494	3,122	8,041	11,163	14,410	11,415	8,220	4,583	12,113	8,447	4,575	12,934	9,578	113,125
Cash Flow from Operations (\$000)																			Total
Net operating revenue	0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
- Capital Plant & Infrastructure	0	55,000	96,900	83,232	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	342,626
- Infrastructure	0	14,000	14,280	12,485	0	0	0	0	0	0	0	0	0	0	0	0	0	0	40,765
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																			
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense	0	930	3,324	6,444	8,271	6,751	5,167	4,008	2,046	0	0	0	0	0	0	0	0	0	36,941
- Fed. Income Tax	0	0	0	4,905	6,299	0	9,588	21,372	30,244	38,792	30,901	22,915	14,787	32,796	24,405	14,896	35,638	28,055	315,593
- Provincial Income Tax	0	0	0	886	1,867	0	2,576	6,904	9,754	12,516	9,965	7,371	4,404	10,575	7,829	4,368	11,475	8,990	99,481
- Provincial Capital Tax																			
- Provincial Mining Tax	0	0	0	2,497	1,533	494	3,122	8,041	11,163	14,410	11,415	8,220	4,583	12,113	8,447	4,575	12,934	9,578	113,125
= Net Cash Flow	0	-102,430	-151,734	-152,620	81,871	49,889	27,265	49,726	68,181	94,381	120,338	99,140	76,820	53,953	105,205	81,705	58,646	119,950	92,915

**Medium Scale Base Metal Mine, 15%IRR (NWT), After Tax
USA, Nevada**

Federal Income Tax (\$000)	initial	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Net Revenue	0	0	0	0	337,285	309,627	280,729	322,136	365,088	409,629	455,805	426,178	395,183	362,778	452,263	419,371	384,983	479,945	445,040	5,846,040
- Operating Costs	0	0	0	0	231,533	235,819	240,185	245,346	250,618	256,003	261,503	266,346	271,277	276,300	282,648	287,882	293,212	299,948	305,502	4,004,122
Gross Income	0	0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918
Net assets for depreciation	0																			0
New exploration/acquisition to be amortized	0	12,500	12,750	13,005	0															38,255
Net exploration expense pool	0	10,000	17,700	23,054	15,403	7,752	2,601	0	0	0	0	0	0	0	0	0	0	0	0	76,510
New development to be amortized	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
Net development expense pool	0	16,000	31,584	52,652	36,265	19,878	7,491	0	0	0	0	0	0	0	0	0	0	0	0	163,869
- Depreciation					2,093	5,721	8,397	10,394	11,910	13,454	15,031	15,985	16,304	16,630	16,963	17,302	17,648	15,294	10,961	194,087
- Current exploration expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Amortized exploration expense		2,500	5,050	7,651	7,651	7,651	5,151	2,601												38,255
- Current development expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Amortized development expense		4,000	8,896	16,387	16,387	16,387	12,387	7,491	0	0	0	0	0	0	0	0	0	0	0	81,934
- Interest Expense		0	0	0	8,271	6,751	5,167	4,038	2,061	0	0	0	0	0	0	0	0	0	0	26,288
- State Income Tax		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- State Mining License Tax		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- State Royalty		0	0	0	0	2,815	1,189	3,035	4,950	6,935	8,994	7,292	5,516	3,662	7,834	5,941	3,968	8,421	6,437	76,988
- Environmental Tax		0	0	0	30	0	0	1	83	122	160	130	104	62	150	107	62	158	119	1,286
- Reclamation Reserve Deduction	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Reclamation Reserve Income																				0
Depletable gross income					105,752	70,994	39,355	73,755	109,520	146,690	185,308	152,540	118,390	82,816	161,781	125,548	87,804	171,576	133,101	1,764,930
Net income before depletion					71,321	34,484	8,253	49,231	95,467	133,115	170,118	136,425	101,982	66,124	144,668	108,139	70,093	156,124	122,021	1,467,565
Additions to depletable cost of property	0	81,500	123,930	108,722	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	421,646
Unit cost of additions to depletable property	0																			0
Depletable cost of property	0	81,500	205,430	314,152	321,474	328,943	336,561	344,332	352,258	360,342	368,588	376,999	385,578	394,329	403,255	412,360	421,646	421,646	421,646	421,646
Unreduced cost depletion					13,222	12,444	11,576	13,644	15,902	18,377	21,105	20,409	19,616	18,706	24,307	23,579	22,733	28,340	26,279	290,237
Net depletion pool					298,209	290,059	286,101	277,645	261,477	237,289	204,768	179,620	162,153	152,198	125,532	107,016	93,570	55,823	26,541	26,541
Cost depletion	0	0	0	0	13,222	12,444	11,576	13,644	15,902	18,377	21,105	20,409	19,616	18,706	24,307	23,579	22,733	28,340	26,279	290,237
% depletion					23,265	15,619	4,127	16,226	24,094	32,272	40,768	33,559	26,046	18,220	35,592	27,621	19,317	37,747	29,282	383,753
- Depletion Allowance					23,265	15,619	11,576	16,226	24,094	32,272	40,768	33,559	26,046	18,706	35,592	27,621	22,733	37,747	29,282	395,105
= Taxable income before sp. dedns		-6,500	-13,946	-24,038	48,056	18,865	-3,323	33,004	71,372	100,843	129,350	102,867	75,936	47,418	109,076	80,518	47,361	118,377	92,739	1,027,976
- Losses carried forward		0	0	0	44,484	0	0	3,323	0	0	0	0	0	0	0	0	0	0	0	47,807
- Losses carried back																				0
cumulative operating losses, prior years		6,500	20,446	44,484	0	0	3,323	0	0	0	0	0	0	0	0	0	0	0	0	0
cumulative operating losses, future years																				0
= Taxable Income		0	0	0	3,572	18,865	0	29,681	71,372	100,843	129,350	102,867	75,936	47,418	109,076	80,518	47,361	118,377	92,739	1,027,976
Regular Federal Income Tax		0	0	0	1,250	6,603	0	10,388	24,980	35,295	45,273	36,003	26,578	16,596	38,177	28,181	16,576	41,432	32,459	359,791

**Medium Scale Base Metal Mine, 15%IRR (NWT), After Tax
USA, Nevada**

	2,005	2,006	2,007	2,008	2,009	2,010	2,011	2,012	2,013	2,014	2,015	2,016	2,017	2,018	2,019	2,020	2,021	Total			
Alternative Minimum Tax Calculation																					
Regular taxable income	0	0	0	0	3,572	18,865	0	29,681	71,372	100,843	129,350	102,867	75,936	47,418	109,076	80,518	47,361	118,377	92,739	1,027,976	
+ excess % depletion	0	0	0	0	10,043	3,175	0	2,583	8,193	13,895	19,663	13,150	6,430	0	11,285	4,042	0	9,407	3,003	104,868	
depreciation claimed above	0	0	0	0	2,093	5,721	8,397	10,394	11,910	13,454	15,031	15,985	16,304	16,630	16,963	17,302	17,648	15,294	10,961	194,087	
net assets for depreciation	0	103,500	270,270	413,845	364,121	269,682	202,430	154,602	120,602	85,723	49,863	32,033	32,674	33,328	33,994	34,674	35,367	23,897	15,676	2,276,282	
150% decl bal depreciation	0	0	0	0	60,708	105,641	78,679	59,485	45,889	47,006	48,230	30,446	12,228	12,473	12,722	12,977	13,236	11,471	8,220	559,410	
+ depreciation adjustment	0	0	0	0	-58,615	-99,920	-70,282	-49,091	-33,979	-33,551	-33,199	-14,461	4,076	4,158	4,241	4,326	4,412	3,824	2,740	-365,324	
current expl/mine dev claimed above	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
net expl/mine dev for amortization	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
current expl/mine dev amortized	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ exploration/development adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
AMTI before current earnings adjustment	0	0	0	0	-45,000	-77,881	-70,282	-16,827	45,586	81,186	115,815	101,555	86,442	51,576	124,602	88,886	51,773	131,607	98,482	767,520	
+ adj current earnings adjustment	0	0	0	0	69,814	74,670	51,111	39,650	23,114	20,035	17,017	6,550	0	0	0	0	0	0	0	610	302,572
AMTI before AMT/NOL adjustment	0	0	0	0	24,814	-3,211	-19,171	22,823	68,700	101,221	132,831	108,105	86,442	51,576	124,602	88,886	51,773	131,607	99,092	1,070,092	
- Losses carried forward	0	0	0	0	0	0	0	22,382	0	0	0	0	0	0	0	0	0	0	0	22,382	
cumulative operating losses, prior years	0	0	0	0	0	3,211	22,382	0	0	0	0	0	0	0	0	0	0	0	0	0	
Alternative minimum taxable income	0	0	0	0	24,814	-3,211	-19,171	442	68,700	101,221	132,831	108,105	86,442	51,576	124,602	88,886	51,773	131,607	99,092	1,047,710	
Tentative alternative minimum tax	0	0	0	0	4,963	0	0	88	13,740	20,244	26,566	21,621	17,288	10,315	24,920	17,777	10,355	26,321	19,818	214,018	
- AMT exemption amount	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Regular income tax	0	0	0	0	1,250	6,603	0	10,388	24,980	35,295	45,273	36,003	26,578	16,596	38,177	28,181	16,576	41,432	32,459	359,791	
Alternative minimum tax	0	0	0	0	3,713	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,713	
Environmental Tax																					
Alternative minimum taxable income	0	0	0	0	24,814	0	0	442	68,700	101,221	132,831	108,105	86,442	51,576	124,602	88,886	51,773	131,607	99,092	1,070,092	
+ environmental tax deducted in calcs	0	0	0	0	30	0	0	1	83	122	160	130	104	62	150	107	62	158	119	1,286	
- exemption	0	0	0	0	2	0	0	2	2	2	2	2	2	2	2	2	2	2	2	26	
Environmental taxable income	0	0	0	0	24,842	0	0	440	68,781	101,341	132,989	108,233	86,544	51,636	124,750	88,991	51,833	131,763	99,209	1,071,351	
Environmental tax	0	0	0	0	30	0	0	1	83	122	160	130	104	62	150	107	62	158	119	1,286	
Federal Income Tax	0	0	0	0	4,993	6,603	0	10,389	25,063	35,417	45,432	36,133	26,681	16,658	38,326	28,288	16,638	41,590	32,578	364,790	
Nevada Royalty (\$000)																					
Nevada Proceeds of Minerals Tax		2,005	2,006	2,007	2,008	2,009	2,010	2,011	2,012	2,013	2,014	2,015	2,016	2,017	2,018	2,019	2,020	2,021	Total		
Total Mine Revenue					337,285	309,627	280,729	322,136	365,088	409,629	455,805	426,178	395,183	362,778	452,263	419,371	384,983	479,945	445,040	5,846,040	
- Cost of Extraction					228,160	232,723	237,377	242,125	246,967	251,907	256,945	262,084	267,325	272,672	278,125	283,688	289,362	295,149	301,052	3,945,661	
- Production Royalties					3,373	3,096	2,807	3,221	3,651	4,096	4,558	4,262	3,952	3,628	4,523	4,194	3,850	4,799	4,450	58,460	
- Exploration & Development Expenses					120,189	0	0	0	0	0	0	0	0	0	0	0	0	0	0	120,189	
- Depreciation					18,349	17,516	16,764	16,085	15,474	14,924	14,430	13,989	13,595	13,244	12,934	12,660	12,421	11,575	10,794	214,753	
Taxable proceeds					0	56,292	23,781	60,705	98,996	138,702	179,872	145,843	110,311	73,234	156,681	118,829	79,350	168,422	128,744	1,539,762	
Nevada Proceeds of Minerals Tax	0	0	0	0	0	2,815	1,189	3,035	4,950	6,935	8,994	7,292	5,516	3,662	7,834	5,941	3,968	8,421	6,437	76,988	

**Medium Scale Base Metal Mine, 15%IRR (NWT), After Tax
USA, Nevada**

																		Total		
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255	
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934	
- Capital Plant & Infrastructure	0	55,000	96,900	83,232	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	342,626	
- Infrastructure	0	14,000	14,280	12,485	0	0	0	0	0	0	0	0	0	0	0	0	0	0	40,765	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	930	3,324	6,444	8,271	6,751	5,167	4,038	2,061	0	0	0	0	0	0	0	0	0	0	36,985	
- Fed. Income Tax	0	0	0	4,993	6,603	0	10,389	25,063	35,417	45,432	36,133	26,681	16,658	38,326	28,288	16,638	41,590	32,578	364,790	
- Provincial Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Capital Tax																				
- Provincial Mining Tax	0	0	0	0	2,815	1,189	3,035	4,950	6,935	8,994	7,292	5,516	3,662	7,834	5,941	3,968	8,421	6,437	76,988	
= Net Cash Flow	0	-102,430	-151,734	-152,620	85,167	50,171	26,570	51,557	74,470	103,189	131,630	107,996	83,129	57,407	114,529	88,155	61,879	129,986	100,523	859,575

Appendix 5b - BaseMetal15.xls

June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 15%IRR (NWT), After Tax																				
South Africa Corporate Income Tax + Unrefined Base Metal Royalty																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918	
- Capital Redemption Deduction	0	0	0	165,689	2,598	2,650	2,703	2,757	2,812	2,868	2,926	2,984	3,044	3,105	3,167	3,230	0	0	0	200,532
- Exploration Expenses	0	0	0	38,255	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Allowable Capital expenditures	0	0	0	19,946	18,439	17,092	15,889	14,817	13,863	14,460	15,146	15,945	16,897	18,061	19,545	21,564	21,564	21,564	21,564	264,794
- Interest	0	0	0	8,924	7,284	5,575	4,890	2,712	-	0	0	0	0	0	0	0	0	0	0	29,386
- Mining Royalty	0	0	0	13,491	12,385	11,229	12,885	14,604	16,385	18,232	17,047	15,807	14,511	18,091	16,775	15,399	19,198	17,802	17,802	233,842
- R&D	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Net Profit	0	0	0	-140,554	33,102	3,998	40,422	79,580	120,566	158,741	124,713	89,169	52,027	130,359	92,003	51,578	139,235	100,172	1,075,110	
- Losses Carried Forward	0	0	0	0	33,102	3,998	40,422	63,031	0	0	0	0	0	0	0	0	0	0	0	140,554
= Taxable Income	0	0	0	0	0	0	0	16,548	120,566	158,741	124,713	89,169	52,027	130,359	92,003	51,578	139,235	100,172	1,075,110	
Federal Income Tax	0	0	0	0	0	0	0	4,799	34,964	46,035	36,167	25,859	15,088	37,804	26,681	14,958	40,378	29,050	311,782	
Royalty (\$000)																				
Net Sales (sales - post-site charges)	0	0	0	337,285	309,627	280,729	322,136	365,088	409,629	455,805	426,178	395,183	362,778	452,263	419,371	384,983	479,945	445,040	5,846,040	
State Mining Royalty	0	0	0	13,491	12,385	11,229	12,885	14,604	16,385	18,232	17,047	15,807	14,511	18,091	16,775	15,399	19,198	17,802	233,842	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	383,391
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense	1,078	3,780	7,070	8,924	7,284	5,575	4,890	2,712	-	0	0	0	0	0	0	0	0	0	0	41,314
- Fed. Income Tax	0	0	0	0	0	0	0	4,799	34,964	46,035	36,167	25,859	15,088	37,804	26,681	14,958	40,378	29,050	311,782	
- Provincial Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- State Mining Royalty	0	0	0	13,491	12,385	11,229	12,885	14,604	16,385	18,232	17,047	15,807	14,511	18,091	16,775	15,399	19,198	17,802	233,842	
= Net Cash Flow from Operations, After Tax	-102,578	-152,190	-153,246	76,015	46,670	16,122	51,244	84,429	94,192	121,789	98,207	73,660	48,128	104,795	78,930	52,128	120,421	92,686	751,400	

Appendix 5b - BaseMetal15.xls

June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 15%IRR (NWT), After Tax																				
Namibia Corporate Income Tax + Base Metal Royalty																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918	
- Capital Redemption Deduction	0	0	0	165,689	2,598	2,650	2,703	2,757	2,812	2,868	2,926	2,984	3,044	3,105	3,167	3,230	0	0	0	200,532
- Exploration Expenses	0	0	0	38,255	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Allowable Capital expenditures	0	0	0	19,946	18,439	17,092	15,889	14,817	13,863	14,460	15,146	15,945	16,897	18,061	19,545	21,564	21,564	21,564	21,564	264,794
- Interest	0	0	0	8,924	7,284	5,575	4,771	2,451	-	0	0	0	0	0	0	0	0	0	0	29,006
- Mining Royalty	0	0	0	10,119	9,289	8,422	9,664	10,953	12,289	13,674	12,785	11,855	10,883	13,568	12,581	11,549	14,398	13,351	175,381	
- R&D	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Net Profit	0	0	0	-137,181	36,198	6,805	43,763	83,492	124,662	163,299	128,975	93,121	55,654	134,882	96,196	55,428	144,034	104,623	1,133,951	
- Losses Carried Forward	0	0	0	0	36,198	6,805	43,763	50,414	0	0	0	0	0	0	0	0	0	0	0	137,181
= Taxable Income	0	0	0	0	0	0	0	33,077	124,662	163,299	128,975	93,121	55,654	134,882	96,196	55,428	144,034	104,623	1,133,951	
Corporate Income Tax	0	0	0	0	0	0	0	12,404	46,748	61,237	48,366	34,920	20,870	50,581	36,074	20,785	54,013	39,233	425,232	
Non-resident tax on dividends	0	0	0	0	0	0	0	292	1,969	2,652	2,035	1,390	717	2,122	1,426	693	2,269	1,561	17,125	
Total Corporate Tax	0	0	0	0	0	0	0	12,696	48,717	63,889	50,400	36,311	21,587	52,703	37,500	21,478	56,282	40,795	442,357	
Royalty (\$000)																				
Net Sales (sales - post-site charges)	0	0	0	337,285	309,627	280,729	322,136	365,088	409,629	455,805	426,178	395,183	362,778	452,263	419,371	384,983	479,945	445,040	5,846,040	
State Royalty	0	0	0	10,119	9,289	8,422	9,664	10,953	12,289	13,674	12,785	11,855	10,883	13,568	12,581	11,549	14,398	13,351	175,381	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	383,391
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	1,078	3,780	7,070	8,924	7,284	5,575	4,771	2,451	-	0	0	0	0	0	0	0	0	0	0	40,934
- Fed. Income Tax	0	0	0	0	0	0	0	12,696	48,717	63,889	50,400	36,311	21,587	52,703	37,500	21,478	56,282	40,795	442,357	
- Provincial Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- State Mining Royalty	0	0	0	10,119	9,289	8,422	9,664	10,953	12,289	13,674	12,785	11,855	10,883	13,568	12,581	11,549	14,398	13,351	175,381	
= Net Cash Flow from Operations, After Tax	-102,578	-152,190	-153,246	79,388	49,766	18,929	54,585	80,444	84,535	108,493	88,235	67,160	45,257	94,419	72,304	49,457	109,317	85,392	679,666	

MineTax by AnalysisWorks

Medium Scale Base Metal Mine, 15%IRR (NWT), After Tax Chile

	initial	2,004	2,005	2,006	2,007	2,008	2,009	2,010	2,011	2,012	2,013	2,014	2,015	2,016	2,017	2,018	2,019	2,020	2,021	Total
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918
- Depreciation					45,544	47,807	50,144	21,622	22,572	23,550	24,619	25,797	27,112	28,606	10,356	11,454	13,096	11,642	10,124	374,044
- Organization & Setup Deduction					39,015	0	0	0	0	0	0	0	0	0	0	0	0	0	0	39,015
- Development Costs Deduction					15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	0	0	0	0	0	0	0	136,625
- Interest incl. Foreign Debt Charge		0	0	0	21,949	8,004	6,283	5,232	3,044	0	0	0	0	0	0	0	0	0	0	44,512
- R&D																				0
= Net Income	0	0	0	0	-16,673	1,761	-32,444	33,043	71,624	112,500	151,757	115,750	96,793	57,872	159,259	120,036	78,676	168,355	129,414	1,247,723
- Prior Years' Losses	0	0	0	0	1,761	0	33,043	14,313	14,313	0	0	0	0	0	0	0	0	0	0	49,117
cumulative operating losses	0	0	0	0	16,673	14,913	47,356	14,313	0	0	0	0	0	0	0	0	0	0	0	93,256
= Taxable Income	0	0	0	0	0	0	0	57,311	112,500	151,757	115,750	96,793	57,872	159,259	120,036	78,676	168,355	129,414	1,247,723	
First Category Tax	0	0	0	0	0	0	0	9,743	19,125	25,799	19,678	16,455	9,838	27,074	20,406	13,375	28,620	22,000	212,113	
Taxable Income For Additional Tax	0	0	0	0	0	0	0	57,311	112,500	151,757	115,750	96,793	57,872	159,259	120,036	78,676	168,355	129,414	1,247,723	
Additional Tax	0	0	0	0	0	0	0	24,070	47,250	63,738	48,615	40,653	24,306	66,889	50,415	33,044	70,709	54,354	524,044	
First Category Tax Credit	0	0	0	0	0	0	0	9,743	19,125	25,799	19,678	16,455	9,838	27,074	20,406	13,375	28,620	22,000	212,113	
Net Additional Tax	0	0	0	0	0	0	0	14,328	28,125	37,939	28,938	24,198	14,468	39,815	30,009	19,669	42,089	32,353	311,931	
Total Income Tax	0	0	0	0	0	0	0	24,070	47,250	63,738	48,615	40,653	24,306	66,889	50,415	33,044	70,709	54,354	524,044	

Mining Activities Tax (\$000)

Revenue from Mineral Sales	0	0	0	0	337,285	309,627	280,729	322,136	365,088	409,629	455,805	426,178	395,183	362,778	452,263	419,371	384,983	479,945	445,040	5,846,040
- Operating Costs	0	0	0	0	231,533	235,819	240,185	245,346	250,618	256,003	261,503	266,346	271,277	276,300	282,648	287,882	293,212	299,948	305,502	4,004,122
- Depreciation					45,544	47,807	50,144	21,622	22,572	23,550	24,619	25,797	27,112	28,606	10,356	11,454	13,096	11,642	10,124	374,044
- Organization & Setup Deduction					39,015	0	0	0	0	0	0	0	0	0	0	0	0	0	0	39,015
- Development Costs Deduction					15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	0	0	0	0	0	0	0	136,625
= Net Income	0	0	0	0	5,276	9,764	-26,161	38,275	74,668	112,500	151,757	115,750	96,793	57,872	159,259	120,036	78,676	168,355	129,414	1,292,235
- Prior Years' Losses	0	0	0	0	0	0	26,161	0	0	0	0	0	0	0	0	0	0	0	0	26,161
cumulative operating losses	0	0	0	0	0	0	26,161	0	0	0	0	0	0	0	0	0	0	0	0	26,161
= Taxable Income	0	0	0	0	5,276	9,764	0	12,115	74,668	112,500	151,757	115,750	96,793	57,872	159,259	120,036	78,676	168,355	129,414	1,292,235
Net Mining Activities Tax	0	0	0	0	264	488	0	606	3,733	5,625	7,588	5,788	4,840	2,894	7,963	6,002	3,934	8,418	6,471	64,612

Cash Flow from Operations (\$000)

																					Total
Net operating revenue	0	0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255	
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934	
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	383,391	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve																					
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	1,078	3,780	7,070	8,924	7,284	5,575	4,443	2,268	0	0	0	0	0	0	0	0	0	0	0	40,423	
- Foreign Debt Charge to Central Bank	661	356	80	0	719	708	789	776	0	0	0	0	0	0	0	0	0	0	0	0	
- Fed. Income Tax	0	0	0	0	0	0	0	24,070	47,250	63,738	48,615	40,653	24,306	66,889	50,415	33,044	70,709	54,354	524,044		
- Provincial Income Tax																				0	
- Provincial Capital Tax																					
- Provincial Mining Tax	0	0	0	0	264	488	0	606	3,733	5,625	7,588	5,788	4,840	2,894	7,963	6,002	3,934	8,418	6,471	64,612	
= Net Cash Flow	0	-103,239	-152,545	-153,327	89,242	57,847	26,643	63,181	75,696	92,666	114,730	97,018	69,833	50,527	85,837	65,968	45,507	100,870	78,713	705,171	

Appendix 5b - BaseMetal15.xls

June 12, 2008

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 15%IRR (NWT), After Tax																				
Peru																				
Corporate Income Tax + Mining Royalty																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918	
- Exploration Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Allowable Capital expenditures	0	0	0	38,255	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Interest	0	0	0	36,515	33,611	31,011	28,687	26,611	24,759	25,675	26,726	27,952	29,410	31,195	33,472	36,567	36,567	36,567	36,567	465,326
- Mining Royalty	0	0	0	8,924	7,284	5,575	4,771	2,827	0	0	0	0	0	0	0	0	0	0	0	29,382
- R&D	0	0	0	0	10,119	9,289	8,422	9,664	10,953	12,289	13,674	12,785	11,855	10,883	13,568	12,581	11,549	14,398	14,398	162,030
= Net Profit	0	0	0	22,058	22,795	-5,331	34,910	75,367	117,914	156,338	119,432	83,169	45,212	127,536	84,450	42,623	131,880	88,572	1,146,926	
- Losses Carried Forward	0	0	0	0	0	0	5,331	0	0	0	0	0	0	0	0	0	0	0	0	5,331
= Taxable Income	0	0	0	22,058	22,795	0	29,579	75,367	117,914	156,338	119,432	83,169	45,212	127,536	84,450	42,623	131,880	88,572	1,146,926	
Federal Income Tax	0	0	0	6,600	6,820	0	8,850	22,550	35,280	46,776	35,734	24,884	13,528	38,159	25,267	12,753	39,459	26,501	343,160	
Royalty (\$000)																				
Net Sales (sales - post-site charges)	0	0	0	337,285	309,627	280,729	322,136	365,088	409,629	455,805	426,178	395,183	362,778	452,263	419,371	384,983	479,945	445,040	5,846,040	
State Mining Royalty	0	0	0	10,119	9,289	8,422	9,664	10,953	12,289	13,674	12,785	11,855	10,883	13,568	12,581	11,549	14,398	13,351	175,381	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	383,391
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense	1,078	3,780	7,070	8,924	7,284	5,575	4,771	2,827	0	0	0	0	0	0	0	0	0	0	0	41,310
- Fed. Income Tax	0	0	0	6,600	6,820	0	8,850	22,550	35,280	46,776	35,734	24,884	13,528	38,159	25,267	12,753	39,459	26,501	343,160	
- Provincial Income Tax																				0
- Provincial Capital Tax																				0
- State Mining Royalty	0	0	0	10,119	9,289	8,422	9,664	10,953	12,289	13,674	12,785	11,855	10,883	13,568	12,581	11,549	14,398	13,351	175,381	
= Net Cash Flow from Operations, After Tax	-102,578	-152,190	-153,246	72,788	42,946	18,929	45,735	70,214	97,972	125,605	102,902	78,587	53,316	108,962	84,537	58,182	126,140	99,686	778,487	

Appendix 5b - BaseMetal15.xls

June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 15%IRR (NWT), After Tax																				
Mexico																				
Mexico Federal Corporate Income Tax, No Royalty																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918	
- Depreciation	0	0	0	99,127	101,741	90,246	7,627	7,779	7,935	8,093	8,255	8,420	8,589	8,761	8,936	9,115	5,982	2,786	383,391	
- Exploration Expenses	0	0	0	24,038	24,038	24,038	24,038	24,038	0	0	0	0	0	0	0	0	0	0	0	
- Interest	0	0	0	20,852	7,284	5,575	4,413	2,252	0	0	0	0	0	0	0	0	0	0	0	
- Investment Allowance	0	0	0	28,322	747	762	777	793	808	825	841	858	875	893	910	929	0	0	0	
= Net Profit	0	0	0	-66,586	-60,002	-80,077	39,936	79,608	144,882	185,384	150,736	114,627	77,014	159,962	121,643	81,728	174,015	136,752	1,259,622	
- Losses Carried Forward	0	0	0	0	0	0	39,936	79,608	87,122	0	0	0	0	0	0	0	0	0	0	
= Net Profit	0	0	0	0	0	0	0	0	57,760	185,384	150,736	114,627	77,014	159,962	121,643	81,728	174,015	136,752	1,259,622	
- Obligatory profit sharing	0	0	0	0	0	0	0	0	5,776	18,538	15,074	11,463	7,701	15,996	12,164	8,173	17,402	13,675	125,962	
= Taxable Income	0	0	0	0	0	0	0	0	51,984	166,846	135,662	103,164	69,313	143,966	109,479	73,555	156,614	123,077	1,133,660	
Federal Income Tax	0	0	0	0	0	0	0	0	14,556	46,717	37,985	28,886	19,408	40,310	30,654	20,595	43,852	34,461	317,425	
Tax on Assets																				
Capital asset base	102,578	254,768	408,014	408,014	408,014	422,585	422,585	422,585	422,585	422,585	422,585	422,585	422,585	422,585	422,585	422,585	422,585	422,585	422,585	7,074,998
Tax on assets	0	0	0	0	0	0	5,282	5,282	5,282	5,282	5,282	5,282	5,282	5,282	5,282	5,282	5,282	5,282	5,282	63,388
Total Federal Income and Asset Tax				0	0	0	5,282	5,282	14,556	46,717	37,985	28,886	19,408	40,310	30,654	20,595	43,852	34,461	327,989	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	105,752	73,808	40,544	76,790	114,470	153,626	194,302	159,832	123,906	86,478	169,615	131,490	91,771	179,997	139,538	1,841,918	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	1,078	3,780	7,070	8,924	7,284	5,575	4,413	2,252	0	0	0	0	0	0	0	0	0	0	0	
- Fed. Income Tax	0	0	0	0	0	0	0	0	14,556	46,717	37,985	28,886	19,408	40,310	30,654	20,595	43,852	34,461	317,425	
- Provincial Income Tax																				
- Provincial Capital Tax																				
- State Mining Royalty																				
= Net Cash Flow from Operations, After Tax	-102,578	-152,190	-153,246	89,506	59,055	27,351	64,607	104,291	130,985	139,339	113,436	86,440	58,320	120,379	91,731	61,889	136,145	105,076	980,536	

Appendix 5c – Analysis Results: Medium Scale Base Metal Mine at 10% IRR

Mining Royalty and Tax Competitiveness Review

Summary Analysis Results: Medium Scale Base Metal Mine, 10%IRR (NWT), After Tax

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Mine Tax
Medium Scale Base Metal Mine Mine Model
10%IRR (NWT), After Tax Profitability Model
 Current tax and royalty rates, including legislated future changes
Summary of Cash Flow and Tax

	CMR royalty		Canadian Comparisons									
	Northwest Territories	Nunavut	British Columbia	Alberta	Saskatchewan	Manitoba	Ontario	Quebec	New Brunswick	Nova Scotia	Newfoundland & Labrador	Yukon
Internal Rate of Return, IRR, at Debt:Total Initial Capital Investment = 50%												
Before Tax IRR, Total Invested Capital Basis	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.6%	12.5%	12.5%	12.5%	12.5%
After Tax IRR, Total Invested Capital Basis	10.0%	10.0%	10.2%	10.4%	8.5%	9.7%	10.0%	10.0%	9.4%	9.0%	9.5%	9.4%
Effective Total Royalty + Tax Rate												
By impact on Internal Rate of Return	20.2%	20.6%	19.0%	17.2%	32.0%	23.0%	20.1%	20.8%	24.9%	27.8%	23.9%	24.9%
By NPV royalty / NPV net cash flow before royalty and taxes	25.5%	25.5%	24.1%	17.0%	8.6%	26.7%	29.4%	27.0%	56.6%	71.0%	43.9%	38.1%
By NPV royalty + taxes / NPV net cash flow before r	99.9%	101.5%	94.7%	86.6%	154.4%	111.9%	99.7%	101.6%	120.8%	136.2%	116.6%	119.8%
Total Project Investment Summary: Nominal Dollars (Of-the-Year)												
Capital Investment												
Life-of-Mine Total	503,580,508											
Initial Development to Production	403,408,535											
Mine Revenue (Net Smelter Return)	7,489,936,059											
Federal Income Tax	104,246,495	104,246,495	104,833,297	108,227,900	110,008,898	106,120,054	103,525,087	102,301,545	66,659,399	64,844,681	72,056,122	101,025,221
Terr/Prov Income Tax	85,663,963	89,388,483	81,154,931	76,040,279	94,747,317	98,960,549	67,442,768	85,786,357	85,578,921	84,786,237	104,815,426	108,514,331
Terr/Prov Capital Tax	0	0	0	0	91,825,457	6,705,690	980,636	5,752,702	1,539,731	2,221,280	0	0
Mining Tax or Royalty	69,258,097	69,258,097	65,167,686	42,438,078	27,050,024	68,608,794	73,107,018	78,332,708	142,106,488	142,488,470	106,874,779	90,826,819
Net Cash Flow To Mine Project	526,999,671	523,275,151	534,833,914	559,184,651	458,744,478	505,662,151	540,152,257	514,693,795	492,537,004	487,549,133	505,064,789	485,895,421
Total Taxes	259,168,555	262,893,075	251,155,913	226,706,257	323,631,696	280,395,087	245,055,508	272,173,312	295,884,540	294,340,668	283,746,326	300,366,371
Total Project Investment Summary: discounted Present Value, at 10% Real Discount Rate												
Capital Investment												
Life-of-Mine Total	367,749,306											
Initial Development to Production	329,751,216											
Mine Revenue (Net Smelter Return)	2,231,671,152											
Federal Income Tax	27,412,811	27,412,811	27,653,963	28,409,035	28,948,146	27,926,700	26,964,060	26,778,610	15,405,292	14,524,842	16,689,792	26,176,802
Terr/Prov Income Tax	24,938,113	26,022,379	21,928,611	20,438,482	27,762,163	28,977,291	21,464,703	23,028,323	29,272,027	28,472,821	35,354,945	31,291,965
Terr/Prov Capital Tax	0	0	0	0	43,227,953	2,980,118	662,579	3,055,198	1,150,272	1,541,132	0	0
Mining Tax or Royalty	17,939,100	17,939,100	16,933,863	11,932,610	5,884,852	18,783,562	20,568,077	19,089,493	40,383,217	48,515,414	31,402,080	26,850,079
Net Cash Flow To Mine Project	53,271	(1,030,995)	3,744,598	9,434,099	(37,269,486)	(8,394,164)	227,008	(1,139,837)	(14,831,900)	(24,735,354)	(11,864,568)	(13,928,785)
Total Taxes	70,290,024	71,374,290	66,516,438	60,780,127	105,823,114	78,667,671	69,659,418	71,951,624	86,210,809	93,054,210	83,446,817	84,318,846
Royalty as proportion of net profit before royalty and tax												
Nominal Dollars	8.8%	8.8%	8.3%	5.4%	3.5%	8.7%	9.3%	10.0%	18.0%	18.2%	13.5%	11.6%
Net Present Value	25.5%	25.5%	24.1%	17.0%	8.6%	26.7%	29.4%	27.0%	56.6%	71.0%	43.9%	38.1%
Total Tax + Royalty as proportion of net profit before royalty and tax												
Nominal Dollars	33.0%	33.4%	32.0%	28.8%	41.4%	35.7%	31.2%	34.6%	37.5%	37.6%	36.0%	38.2%
Net Present Value	99.9%	101.5%	94.7%	86.6%	154.4%	111.9%	99.7%	101.6%	120.8%	136.2%	116.6%	119.8%

Mine Tax

Medium Scale Base Metal Mine

10%IRR (NWT), After Tax

Current tax and royalty rates, including legis

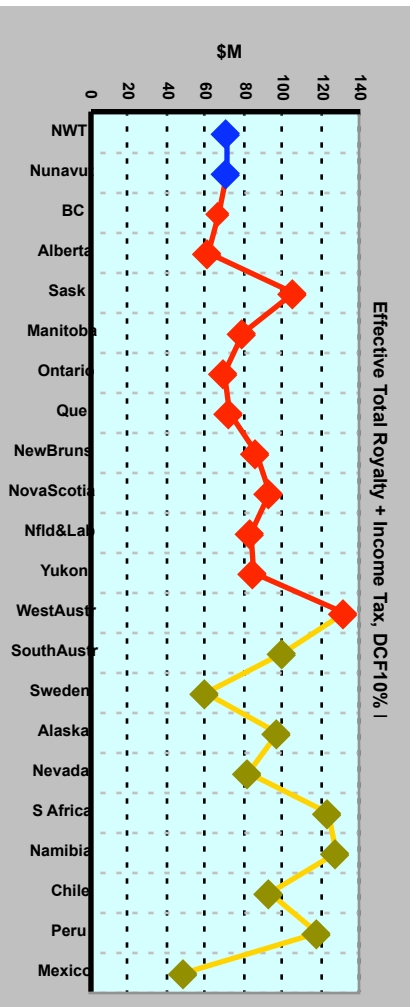
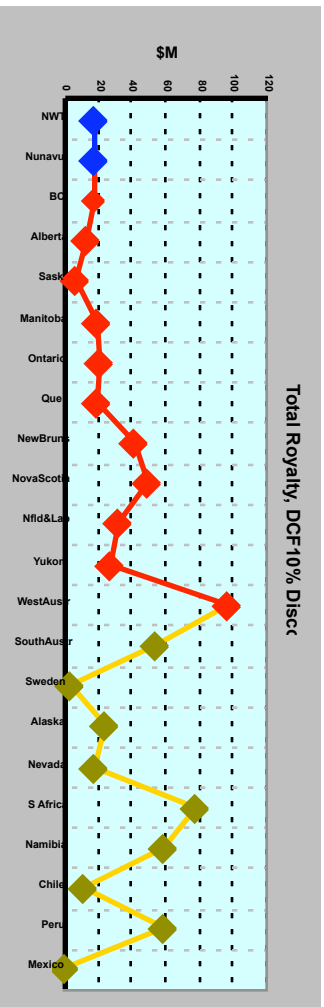
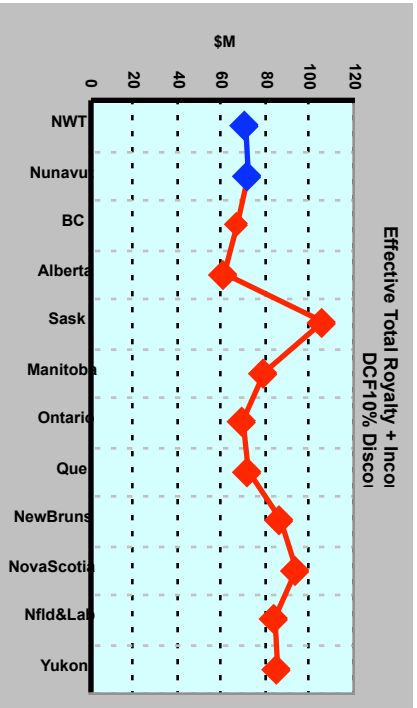
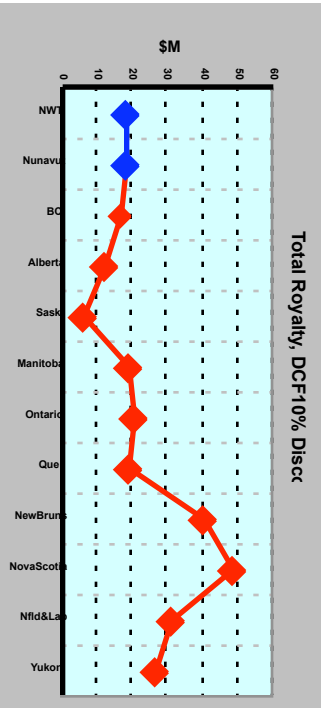
Summary of Cash Flow and Tax

International Comparisons										
	Western Australia	South Australia	Sweden	USA, Alaska	USA, Nevada	South Africa	Namibia	Chile	Peru	Mexico
Internal Rate of Return, IRR, at Debt:Total Initial C										
Before Tax IRR, Total Invested Capital Basis	12.4%	12.5%	12.5%	12.6%	12.6%	12.5%	12.5%	12.4%	12.5%	12.5%
After Tax IRR, Total Invested Capital Basis	7.3%	8.7%	10.4%	9.0%	9.6%	7.7%	7.5%	8.9%	8.0%	10.9%
Effective Total Royalty + Tax Rate										
By impact on Internal Rate of Return	41.6%	30.2%	16.7%	29.0%	23.9%	38.5%	40.0%	28.7%	35.9%	13.5%
By NPV royalty / NPV net cash flow before royalty at	143.8%	78.1%	5.5%	32.3%	23.3%	113.9%	84.7%	16.2%	84.8%	0.0%
By NPV royalty + taxes / NPV net cash flow before ri	195.8%	143.4%	84.2%	133.6%	112.7%	182.0%	185.0%	139.2%	171.0%	69.5%
Total Project Investment Summary: Nominal Doll										
Capital Investment										
Life-of-Mine Total										
Initial Development to Production										
Mine Revenue (Net Smelter Return)										
Federal Income Tax	142,444,607	174,582,674	206,381,214	188,616,739	216,696,122	168,168,094	246,689,278	308,614,804	193,451,352	188,494,574
Terr/Prov Income Tax	0	0	0	58,242,808	0	0	0	0	0	0
Terr/Prov Capital Tax	0	0	0	0	0	0	0	0	0	0
Mining Tax or Royalty	266,718,500	163,895,115	10,668,740	71,613,658	53,148,907	213,374,800	160,031,100	39,284,083	160,031,100	0
Net Cash Flow To Mine Project	370,709,861	445,698,684	569,033,660	472,148,853	520,653,095	399,793,709	375,865,439	433,001,246	428,999,827	597,838,882
Total Taxes	409,163,107	338,477,789	217,049,954	318,473,204	269,845,029	381,542,895	406,720,378	347,898,886	353,482,452	188,494,574
Total Project Investment Summary: discounted P										
Capital Investment										
Life-of-Mine Total										
Initial Development to Production										
Mine Revenue (Net Smelter Return)										
Federal Income Tax	35,089,314	45,293,436	55,319,593	56,639,893	65,303,562	46,391,808	68,849,793	82,662,749	59,179,090	48,949,552
Terr/Prov Income Tax	0	0	0	17,433,744	0	0	0	0	0	0
Terr/Prov Capital Tax	0	0	0	0	0	0	0	0	0	0
Mining Tax or Royalty	96,941,986	54,238,036	3,877,679	23,580,619	17,048,414	77,553,589	58,165,192	10,896,705	58,165,192	0
Net Cash Flow To Mine Project	(64,609,183)	(30,105,808)	11,106,556	(24,536,487)	(9,295,890)	(55,857,478)	(58,343,932)	(26,347,539)	(48,717,139)	21,470,902
	132,031,300	99,531,472	59,197,272	97,654,256	82,351,976	123,945,397	127,014,985	93,559,454	117,344,282	48,949,552
Royalty as proportion of net profit before royalty										
Nominal Dollars	34.2%	20.9%	1.4%	9.1%	6.7%	27.3%	20.4%	5.0%	20.5%	0.0%
Net Present Value	143.8%	78.1%	5.5%	32.3%	23.3%	113.9%	84.7%	16.2%	84.8%	0.0%
Total Tax + Royalty as proportion of net profit be										
Nominal Dollars	52.5%	43.2%	27.6%	40.3%	34.1%	48.8%	52.0%	44.6%	45.2%	24.0%
Net Present Value	195.8%	143.4%	84.2%	133.6%	112.7%	182.0%	185.0%	139.2%	171.0%	69.5%

Appendix 5c - BaseMetal10.xls

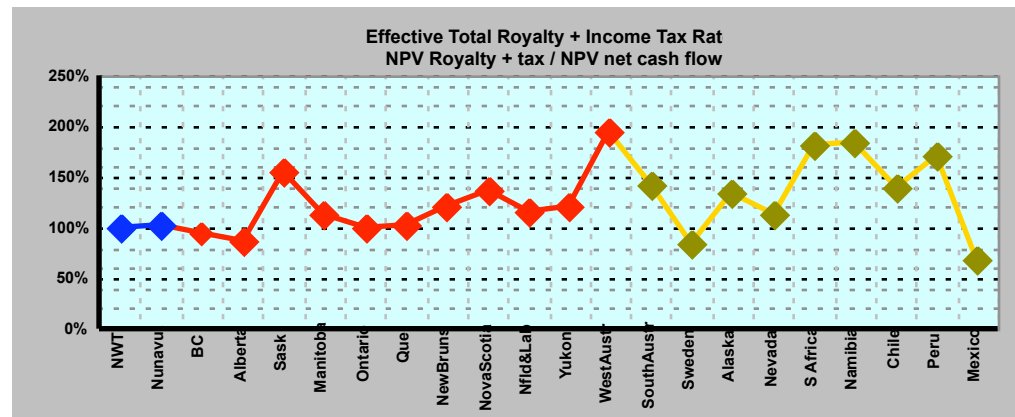
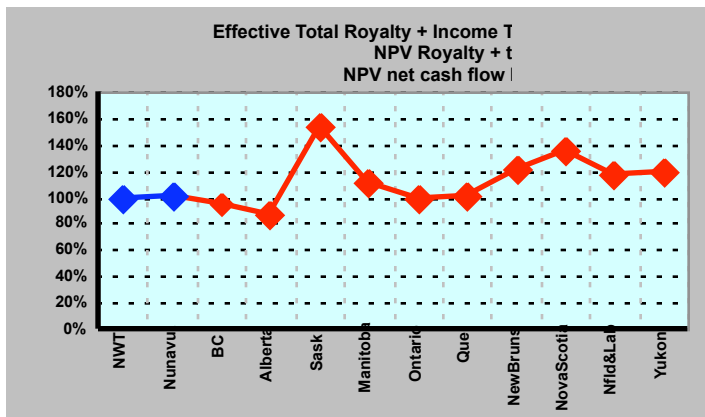
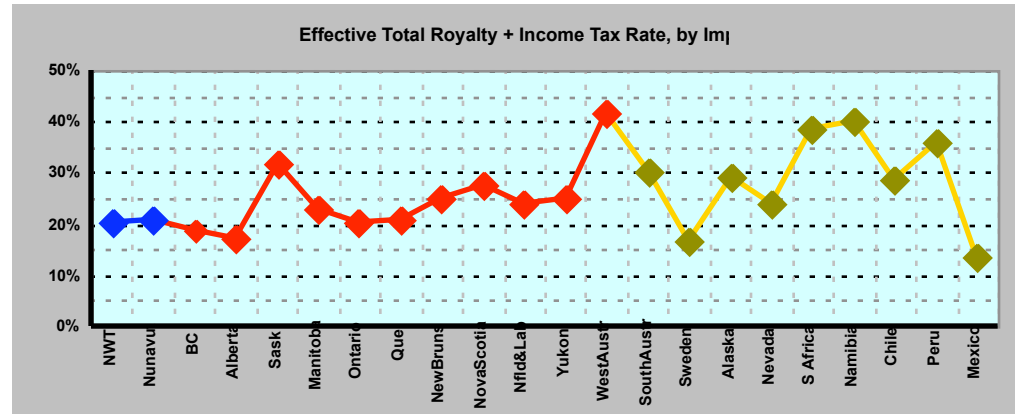
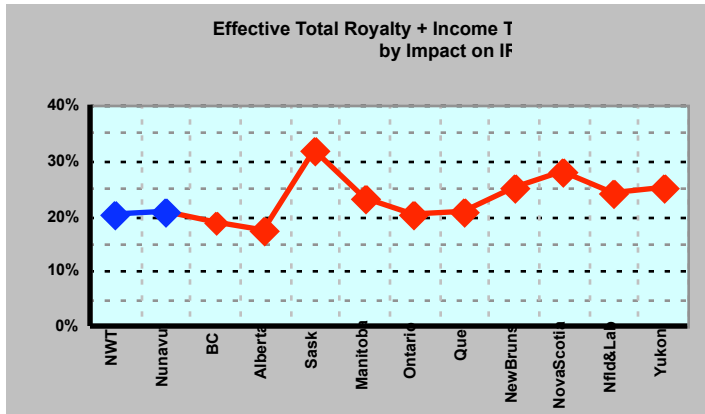
June 12, 2008

MineTax
 Medium Scale Base Metal Mine, 10%IRR (NWT), After Tax
 Comparative Results Graphs



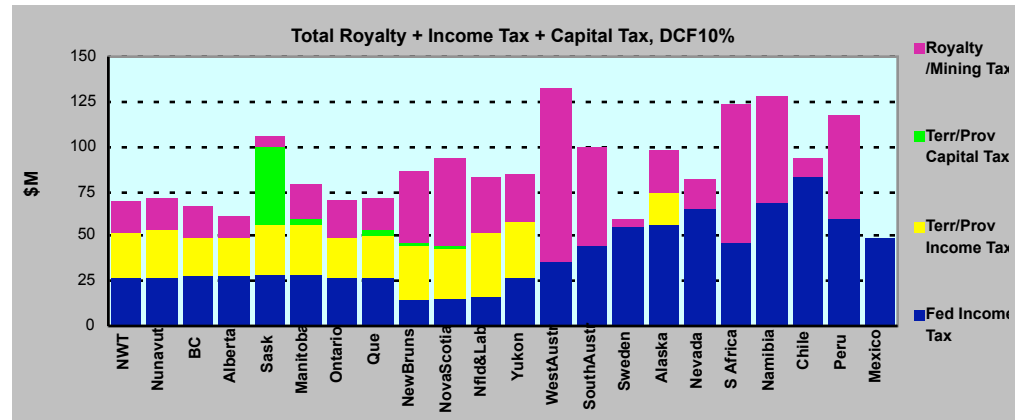
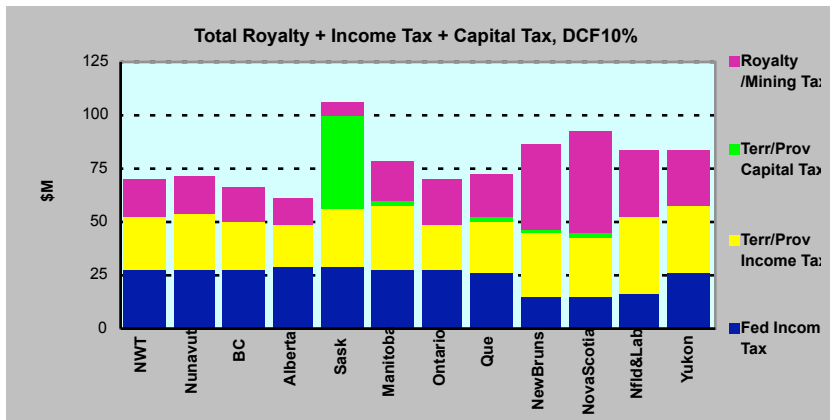
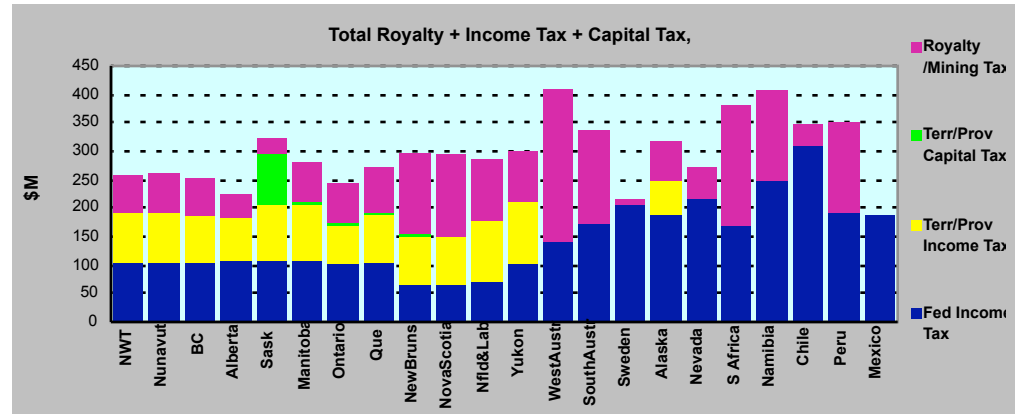
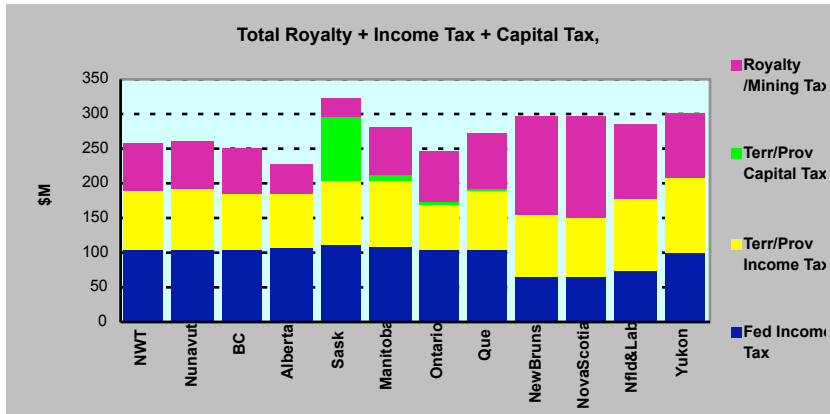
MineTax

Medium Scale Base Metal Mine, 10%IRR (NWT), After Tax
Comparative Results Graphs



MineTax

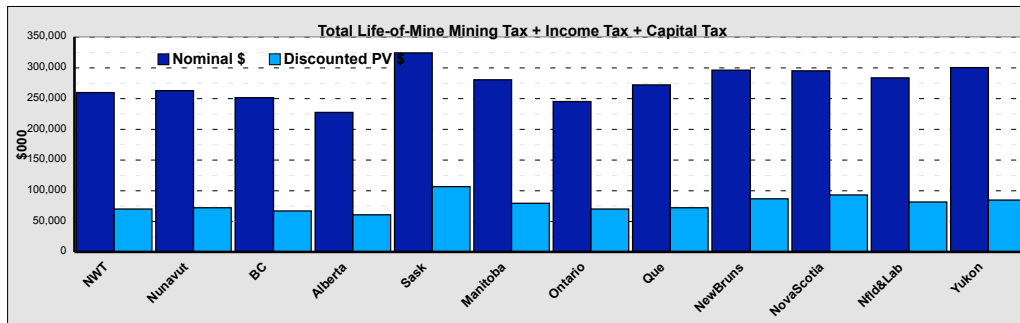
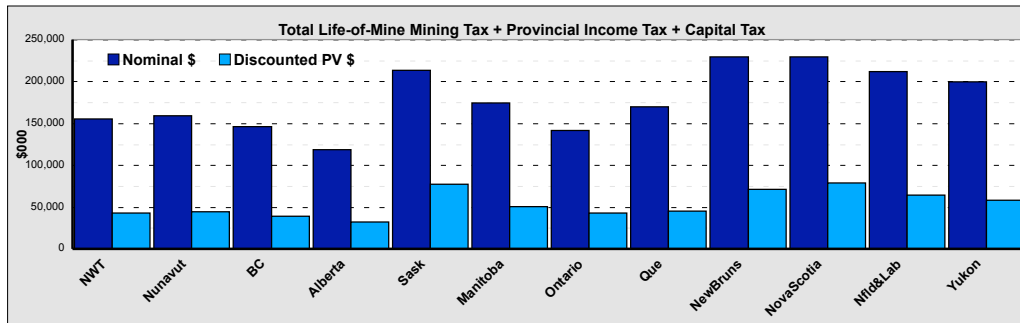
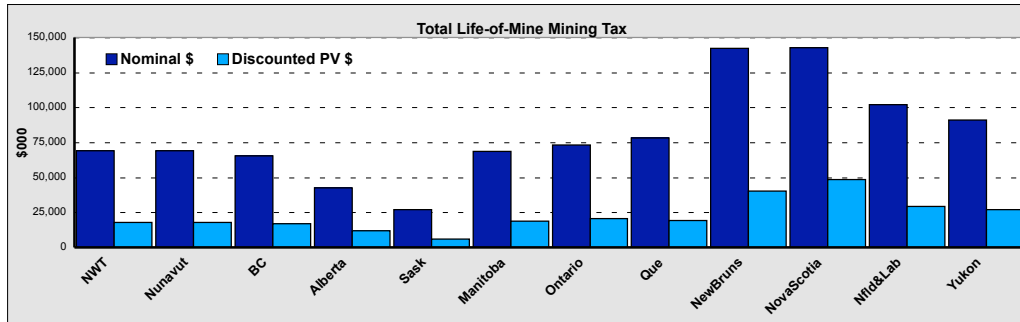
Medium Scale Base Metal Mine, 10%IRR (NWT), After Tax
Comparative Results Graphs



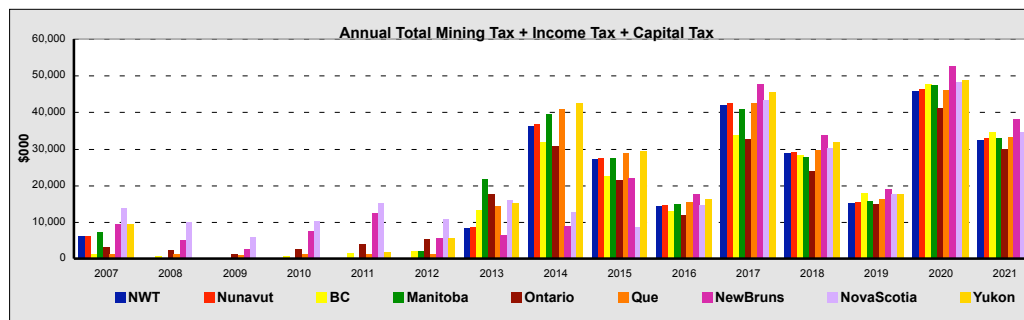
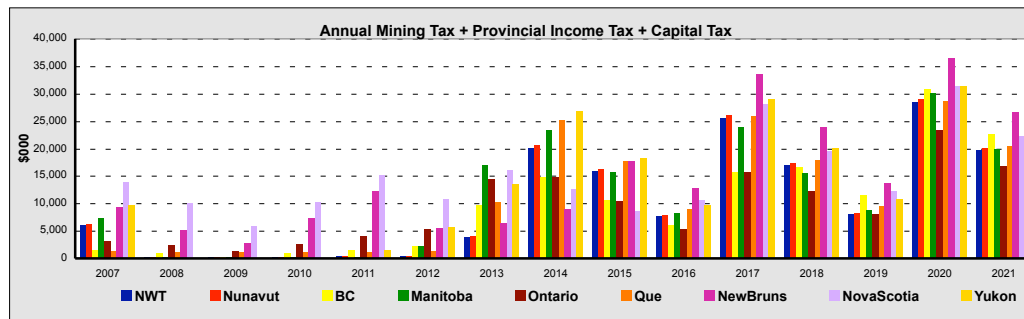
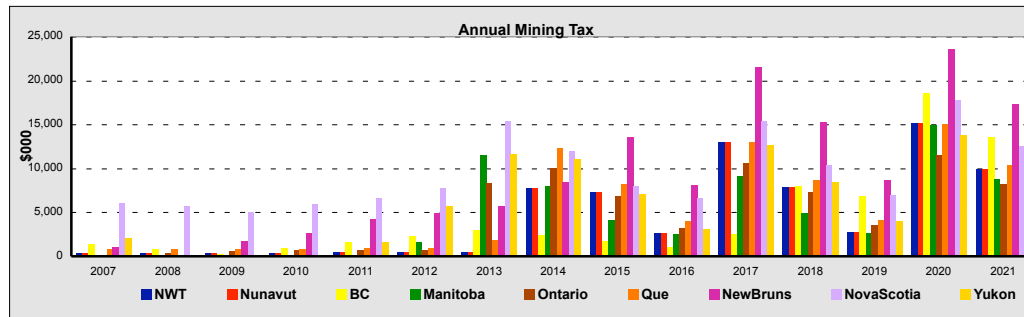
MineTax

Medium Scale Base Metal Mine, 10%IRR (NWT), After Tax

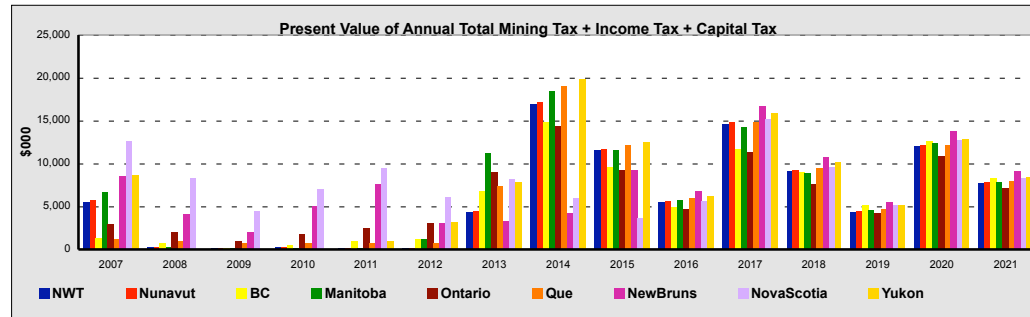
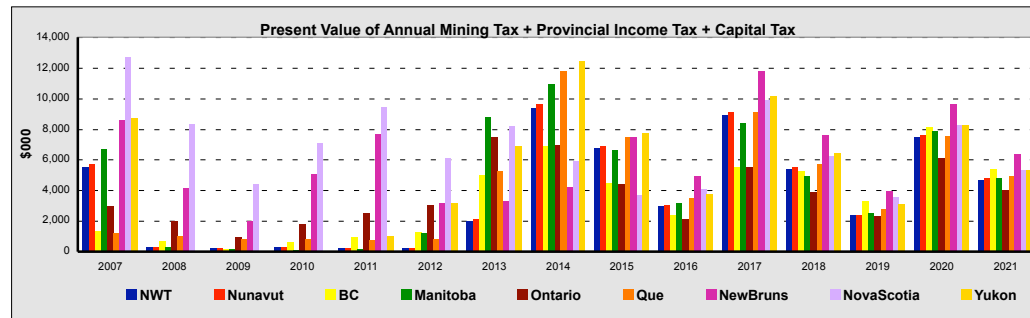
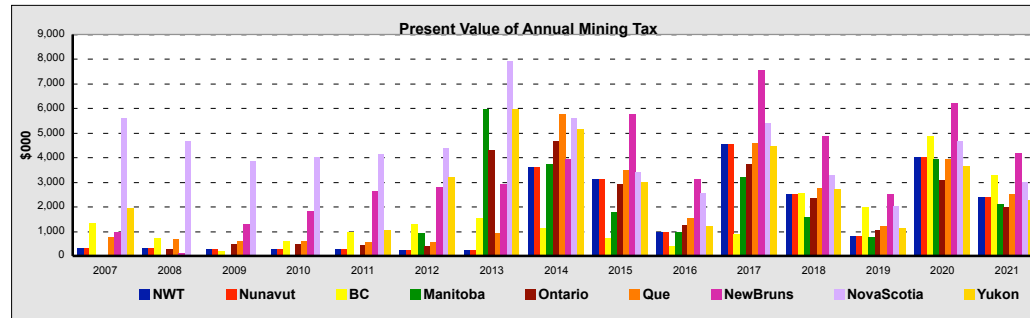
Additional Graphs: Comparative Results and Annual Results -- Canadian Comparisons



MineTax
 Medium Scale Base Metal Mine, 10%IRR (NWT), After Tax



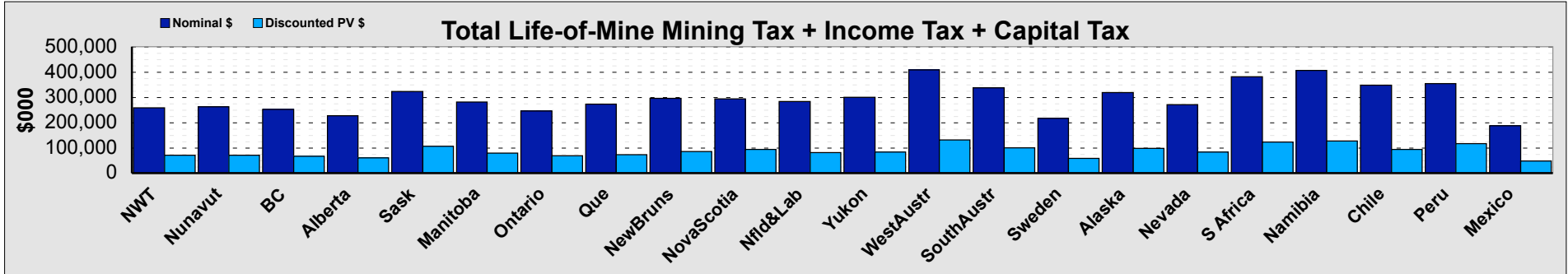
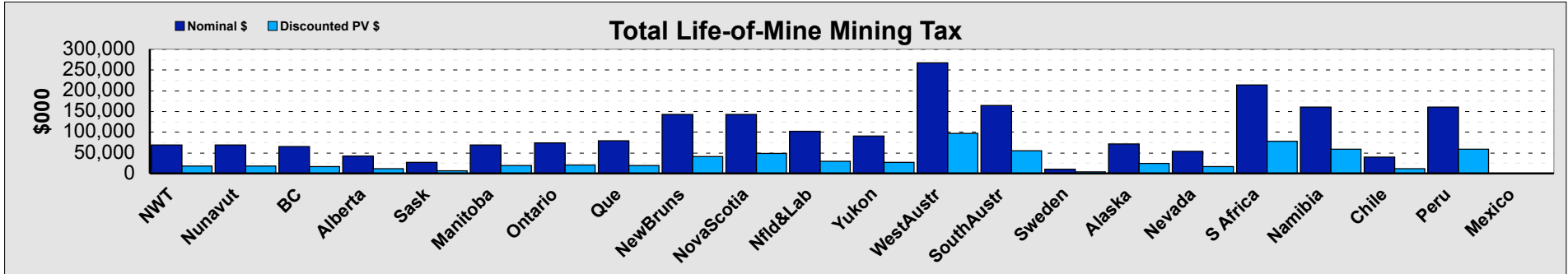
MineTax
 Medium Scale Base Metal Mine, 10%IRR (NWT), After Tax



MineTax

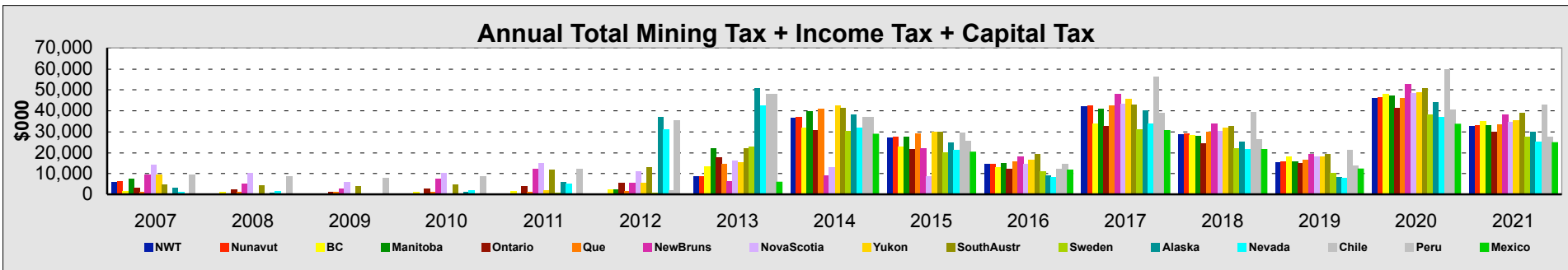
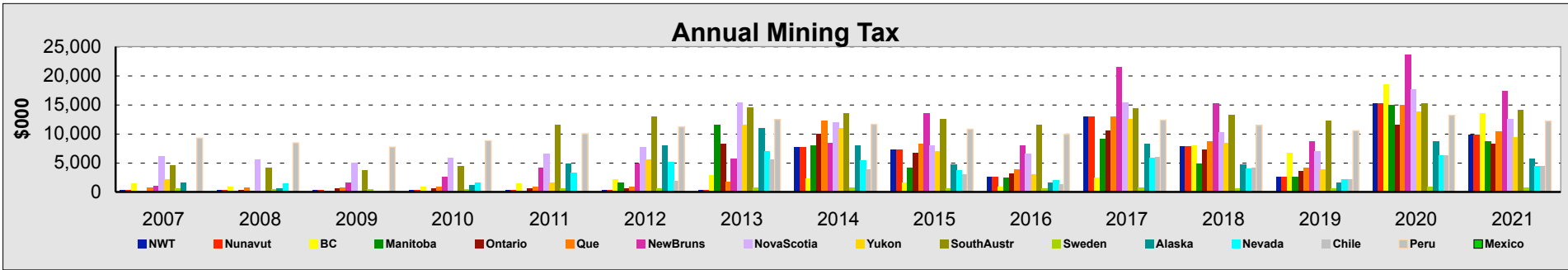
Medium Scale Base Metal Mine, 10%IRR (NWT), After Tax

Additional Graphs: Comparative Results and Annual Results -- International Comparisons

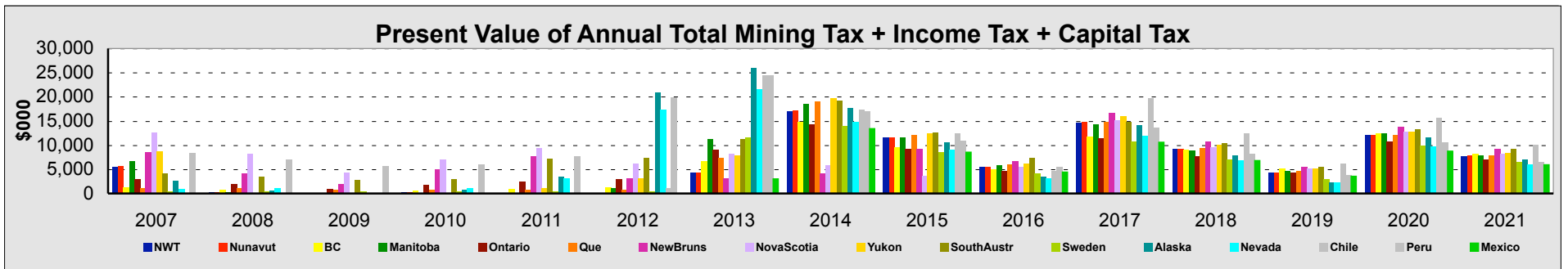
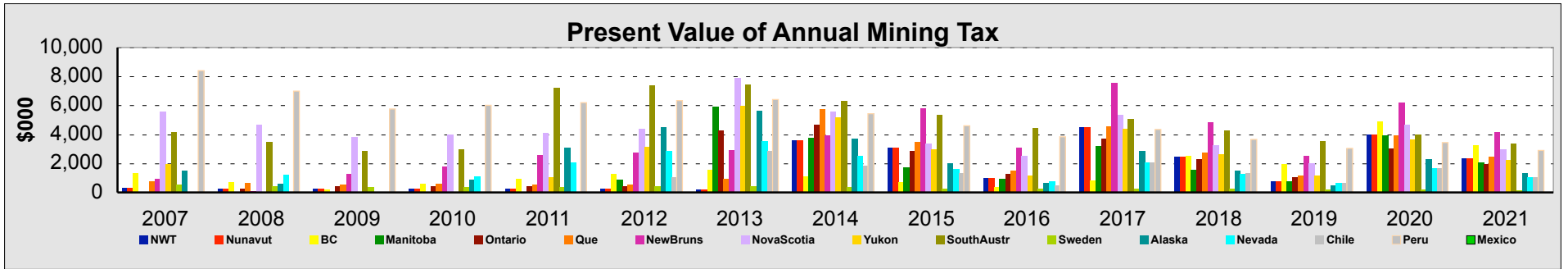


MineTax

Medium Scale Base Metal Mine, 10%IRR (NWT), After Tax



MineTax
 Medium Scale Base Metal Mine, 10%IRR (NWT), After Tax



MineTax	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total	
Medium Scale Base Metal Mine, 10%IRR (NWT), After Tax																				
Production Schedule, Capital Investment & Determination of Net Operating Revenue																				
Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total	
Production Schedule																				
Daily mine production (t/d)																				
Annual production days (d)																				
Annual mine production (tonnes)				5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	75,000	
Unit Operating Costs (\$/t ore milled)																				
Mining operations																				
Mining				14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	
Other operating																				
Total mining operations				14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	
Milling operations																				
Milling				28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	
Power																				
Other operating																				
Total milling operations				28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	28.38	
Private royalty (% NSR)				1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	
Total operating				43.00	43.00	43.00	43.00	43.00	43.00	43.00	43.00	43.00	43.00	43.00	43.00	43.00	43.00	43.00	43.00	
Revenue and Cost Schedule in \$ Constant (2004)																				
Revenue																				
Value of product sold																				
Mineral/Metal1				290,013,093	261,011,784	232,010,474	261,011,784	290,013,093	319,014,402	348,015,712	319,014,402	290,013,093	261,011,784	319,014,402	290,013,093	261,011,784	319,014,402	290,013,093	5,800.26	
Gross sales				290,013,093	261,011,784	232,010,474	261,011,784	290,013,093	319,014,402	348,015,712	319,014,402	290,013,093	261,011,784	319,014,402	290,013,093	261,011,784	319,014,402	290,013,093	5,800.26	
Post-site costs																				
Transportation																				
Other post-site costs																				
Cutting & polishing charges																				
Marketing costs																				
Total post-site costs				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Mine Revenue				290,013,093	261,011,784	232,010,474	261,011,784	290,013,093	319,014,402	348,015,712	319,014,402	290,013,093	261,011,784	319,014,402	290,013,093	261,011,784	319,014,402	290,013,093	5,800.26	
Operating Costs																				
Mining Operations				73,100,000	73,100,000	73,100,000	73,100,000	73,100,000	73,100,000	73,100,000	73,100,000	73,100,000	73,100,000	73,100,000	73,100,000	73,100,000	73,100,000	73,100,000	1,096.50	
Milling Operations				141,900,000	141,900,000	141,900,000	141,900,000	141,900,000	141,900,000	141,900,000	141,900,000	141,900,000	141,900,000	141,900,000	141,900,000	141,900,000	141,900,000	141,900,000	141,900,000	
Private Royalty				2,900,131	2,610,118	2,320,105	2,610,118	2,900,131	3,190,144	3,480,157	3,190,144	2,900,131	2,610,118	3,190,144	2,900,131	2,610,118	3,190,144	2,900,131	58,002	
Total operating				217,900,131	217,610,118	217,320,105	217,610,118	217,900,131	218,190,144	218,480,157	218,190,144	217,900,131	217,610,118	218,190,144	217,900,131	217,610,118	218,190,144	217,900,131	3,283.00	
Net Operating Revenue				72,112,962	43,401,666	14,690,370	43,401,666	72,112,962	100,824,258	129,535,555	100,824,258	72,112,962	43,401,666	100,824,258	72,112,962	43,401,666	100,824,258	72,112,962	2,517.26	
Capital Costs																				
Property Acquisition																				
Exploration	12,500,000	12,500,000	12,500,000																37,500	
Preproduction Development	20,000,000	24,000,000	36,000,000																80,000	
Infrastructure	14,000,000	14,000,000	12,000,000				0	0						0	0				40,000	
Mining Plant and Equipment	40,000,000	20,000,000	20,000,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	0	111,200	
Milling Plant and Equipment	15,000,000	75,000,000	60,000,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	0	208,500	
Working Capital																				
Environmental Reserve																				
contribution																				
interest earned																				
withdrawal																				
balance in reserve																				
Total Capital	101,500,000	145,500,000	140,500,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	0	0	477,200

MineTax	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 10%IRR (NWT), After Tax																			
Production Schedule, Capital Investment & Determination of Net Operating Revenue																			
Revenue and Cost Schedule in \$ Nominal (Dollars-of-the-year)																			
Revenue																			
Value of product sold																			
Mineral/Metal1				307,764,215	282,527,549	256,158,311	293,941,662	333,133,883	373,776,217	415,910,991	388,876,776	360,594,829	331,026,053	412,679,146	382,666,117	351,287,496	437,938,411	406,088,345	5,800.26
Gross sales	0	0	0	307,764,215	282,527,549	256,158,311	293,941,662	333,133,883	373,776,217	415,910,991	388,876,776	360,594,829	331,026,053	412,679,146	382,666,117	351,287,496	437,938,411	406,088,345	7,489.93
Post-site costs																			
Transportation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other post-site costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Smelting & Refining	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Marketing costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total post-site costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Mine Revenue	0	0	0	307,764,215	282,527,549	256,158,311	293,941,662	333,133,883	373,776,217	415,910,991	388,876,776	360,594,829	331,026,053	412,679,146	382,666,117	351,287,496	437,938,411	406,088,345	7,489.93
Operating Costs																			
Mining Operations	0	0	0	77,574,305	79,125,791	80,708,307	82,322,473	83,968,922	85,648,301	87,361,267	89,108,492	90,890,662	92,708,475	94,562,645	96,453,898	98,382,976	100,350,635	102,357,648	1,341.52
Milling Operations	0	0	0	150,585,415	153,597,124	156,669,066	159,802,447	162,998,496	166,258,466	169,583,635	172,975,308	176,434,814	179,963,511	183,562,781	187,234,036	190,978,717	194,798,292	198,694,257	2,504.13
Private Royalty	0	0	0	3,077,842	2,825,275	2,561,583	2,939,417	3,331,339	3,737,762	4,159,110	3,888,768	3,605,948	3,310,261	4,126,791	3,826,661	3,512,875	4,379,384	4,060,883	74,889
Total operating	0	0	0	231,237,562	235,548,190	239,938,956	245,064,337	250,298,757	255,644,529	261,104,012	265,972,568	270,931,425	275,982,746	282,252,717	287,514,666	292,874,568	299,538,311	305,112,789	4,020.59
Net Operating Revenue	0	0	0	76,526,652	46,979,359	16,219,355	48,877,325	82,835,126	118,131,688	154,806,979	122,904,208	89,663,404	55,043,807	130,426,929	95,151,522	58,412,928	138,410,101	100,975,556	3,469.37
Capital Costs																			
Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Exploration	12,500,000	12,750,000	13,005,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
Preproduction Development	20,000,000	24,480,000	37,454,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
Infrastructure	14,000,000	14,280,000	12,484,800	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	40,764
Mining Plant and Equipment	40,000,000	20,400,000	20,808,000	2,546,899	2,597,837	2,649,794	2,702,790	2,756,846	2,811,983	2,868,222	2,925,587	2,984,098	3,043,780	3,104,656	3,166,749	3,230,084	0	0	118,597
Milling Plant and Equipment	15,000,000	76,500,000	62,424,000	4,775,436	4,870,945	4,968,364	5,067,731	5,169,086	5,272,467	5,377,917	5,485,475	5,595,184	5,707,088	5,821,230	5,937,654	6,056,408	0	0	224,028
Working Capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest earned	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Balance in reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Capital	101,500,000	148,410,000	146,176,200	7,322,335	7,468,782	7,618,158	7,770,521	7,925,931	8,084,450	8,246,139	8,411,061	8,579,283	8,750,868	8,925,886	9,104,403	9,286,492	0	0	503,580
Before Taxes and Financing Cash Flow																			
Total Mine Revenue	0	0	0	307,764,215	282,527,549	256,158,311	293,941,662	333,133,883	373,776,217	415,910,991	388,876,776	360,594,829	331,026,053	412,679,146	382,666,117	351,287,496	437,938,411	406,088,345	7,489.93
Operating Costs	0	0	0	(228,159,720)	(232,722,914)	(237,377,373)	(242,124,920)	(246,967,419)	(251,906,767)	(256,944,902)	(262,083,800)	(267,325,476)	(272,671,986)	(278,125,426)	(283,687,834)	(289,361,693)	(295,148,927)	(301,051,905)	(3,945.66)
Private Royalty	0	0	0	(3,077,842)	(2,825,275)	(2,561,583)	(2,939,417)	(3,331,339)	(3,737,762)	(4,159,110)	(3,888,768)	(3,605,948)	(3,310,261)	(4,126,791)	(3,826,661)	(3,512,875)	(4,379,384)	(4,060,883)	(74,889)
Cash Flow from Operations	0	0	0	76,526,652	46,979,359	16,219,355	48,877,325	82,835,126	118,131,688	154,806,979	122,904,208	89,663,404	55,043,807	130,426,929	95,151,522	58,412,928	138,410,101	100,975,556	3,469.37
Capital Costs	(101,500,000)	(148,410,000)	(146,176,200)	(7,322,335)	(7,468,782)	(7,618,158)	(7,770,521)	(7,925,931)	(8,084,450)	(8,246,139)	(8,411,061)	(8,579,283)	(8,750,868)	(8,925,886)	(9,104,403)	(9,286,492)	0	0	(503,580)
Working Capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Contribution to Environmental Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawal from Environmental Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Cash Flow	(101,500,000)	(148,410,000)	(146,176,200)	69,204,517	39,510,577	8,601,196	41,106,804	74,909,195	110,047,238	146,560,840	114,493,147	81,084,122	46,292,938	121,501,043	86,047,119	49,126,437	138,410,101	100,975,556	2,965.79
Cumulative Net Cash Flow	(101,500,000)	(249,910,000)	(396,086,200)	(326,881,683)	(287,371,106)	(278,769,908)	(237,663,104)	(162,753,909)	(62,706,670)	93,854,170	208,347,317	289,431,438	335,724,377	457,225,420	543,272,539	592,398,975	730,809,076	831,784,632	
Net Present Value, Before Taxes and Financing																			
				0.0%	5.0%	7.5%	10.0%	12.5%											
				discount rate (nominal)															
				discount rate (real)	-2.0%	2.9%	5.4%	7.8%	10.3%										
NPV (before tax and royalty)				2,965,795,029	1,238,729,933	797,632,644	503,837,454	304,540,141											

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General Economic Parameters

	Base	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Base Year, commencement of production	2007																		
Base year for cost inputs	2004																		
Number of years of mine production	15																		
Debt:Total Initial Capital Investment	50%																		
Gov't of Canada long term bond yield	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%
Inflation/Escalation																			
Annual escalation rate for operating costs and value of money	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Operating cost inflation index for the year	1.0000	1.0200	1.0404	1.0612	1.0824	1.1041	1.1262	1.1487	1.1717	1.1951	1.2190	1.2434	1.2682	1.2936	1.3195	1.3459	1.3728	1.4002	
Annual escalation rate for capital costs	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Capital cost inflation index for the year	1.0000	1.0200	1.0404	1.0612	1.0824	1.1041	1.1262	1.1487	1.1717	1.1951	1.2190	1.2434	1.2682	1.2936	1.3195	1.3459	1.3728	1.4002	
Annual escalation rate for base metal prices	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Base metal prices escalation index for the year	1.0000	1.0200	1.0404	1.0612	1.0824	1.1041	1.1262	1.1487	1.1717	1.1951	1.2190	1.2434	1.2682	1.2936	1.3195	1.3459	1.3728	1.4002	
Annual escalation for gold price	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Gold price escalation index for the year	1.0000	1.0200	1.0404	1.0612	1.0824	1.1041	1.1262	1.1487	1.1717	1.1951	1.2190	1.2434	1.2682	1.2936	1.3195	1.3459	1.3728	1.4002	
Annual escalation for silver price	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Silver price escalation index for the year	1.0000	1.0200	1.0404	1.0612	1.0824	1.1041	1.1262	1.1487	1.1717	1.1951	1.2190	1.2434	1.2682	1.2936	1.3195	1.3459	1.3728	1.4002	
\$Canada:\$USA Exchange Rate	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850
Discount rate for discounted cash flow analysis (real)	7.80%																		
Discount rate for discounted cash flow analysis	10.00%																		
Annual interest rate on corporate debt, Cdn business prime rate	4.25%																		

Notes:

Pre-production interest expenses are capitalized.

Debt scheduled for repayment over 5 years or 50% designed mine life, whichever is longer.

Initial development debt repaid out of 90% of after tax cash flow.

Shortfall in meeting annual debt repayment is added to debt, and rescheduled over remaining term.

All expenses after onset of production to be paid from cash flow.

Project Cost Factors

	Base	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Capital cost adjustment factor %	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Operating cost adjustment factor %	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

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Canadian & International Fiscal Parameters

Current tax and royalty rates, including legislated future changes

Canadian Fiscal Parameters	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Federal Income Tax																		
Corporate income tax rate	28%	28%	28%	28%	26.5%	26.0%	25.0%	23.5%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%
Resource income tax rate reduction	2%	3%	5%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
Corporate income tax surtax rate	4%	4%	4%	4%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Large corporation tax rate	0.200%	0.175%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Resource Allowance	19%	16%	9%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Accelerated Capital Cost Allowance (ACCA)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Capital Cost Allowance, Class 41a (CCA)	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Canadian Exploration Expense (CEE)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Canadian Development Expense (CDE)	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Atlantic & Gaspé Investment Tax Credit	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Provincial Mining Tax Deduction (federal)	25%	35%	65%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Canadian Exploration Expense Tax Credit	7%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Northwest Territories + Nunavut																		
NWT Corporate income tax rate	14.0%	14.0%	12.8%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
NT Corporate income tax rate	12.0%	12.0%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
CMR Royalty																		
CMR royalty rate (maximum)	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%
for value of output up to \$10,000.	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
for output over \$10,000 to \$5,000,000.	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
increment for each additional \$5,000,000. of output	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
to maximum (for output over \$45,000,000.)	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%
Depreciation allowance	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Exploration & development allowance	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Processing allowance max % of royaltyable income	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%
Processing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
British Columbia																		
Corporate income tax rate	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Preproduction capital gross-up rate	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	0.00%	#REF!	#REF!	#REF!	#REF!
Investment allowance rate	3.65%	3.65%	5.39%	5.75%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%
Mining tax part 1 rate	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Mining tax part 2 rate	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%
Alberta (Metallic Minerals, Diamonds)																		
Corporate income tax rate	11.5%	11.5%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Royalty Tax credit rate, average annual	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Royalty Tax credit shelter maximum (\$000)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Mining tax rate, pre-payout	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Mining tax rate, post-payout	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Processing Allowance rate	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%

Saskatchewan (Gold & Base Metal)

Corporate income tax rate	17.0%	17.0%	15.5%	13.5%	12.5%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Capital tax, base rate	0.6%	0.6%	0.5%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Resource surcharge on capital tax	3.6%	3.6%	3.5%	3.2%	3.1%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Resource surcharge on capital tax _DIAMONDS	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Mining tax rate, initial period	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Mining tax rate, pastthreshold	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Threshold for mining tax increase (\$000)	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000
Preproduction allowance	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%
Depreciation	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Manitoba

Corporate income tax rate	15.0%	15.0%	14.5%	14.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%
Capital tax, base rate	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Capital tax, surtax rate	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Capital deductible amount (\$000)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Capital deductible amount for surtax (\$000)	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Mining tax rate	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%
Special tax rate	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Depreciation allowance rate	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
Investment credit rate	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
Processing allowance rate	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%

Ontario

Corporate income tax rate	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Resource allowance rate	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Capital tax rate	0.300%	0.300%	0.300%	0.285%	0.285%	0.225%	0.150%	0.075%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Capital tax, deductible amount (\$000)	5,000	7,500	10,000	12,500	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Mining tax rate	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Mining tax exemption (annual) (\$000)	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500
Mining tax holiday amount (\$000)	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Mining tax holiday period (yr)	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Remote mines																		
Mining tax rate	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Mining tax holiday amount (\$000)	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Mining tax holiday period (yr)	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Depreciation allowance rate: preprod. mine assets	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Depreciation allowance rate: mine assets	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Depreciation allowance rate: processing and transportation assets	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Processing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Development expense allowance rate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Minimum corporate income tax rate	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
Ontario charitable donation deduction rate				100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Made in Ontario deduction part 2 allowance				15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Made in Ontario deduction part 2 allowance limit rate				20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%

Quebec																	
Corporate income tax rate	8.9%	8.9%	9.9%	9.9%	11.4%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%
Resource allowance rate	25%	25%	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Capital tax rate	0.600%	0.525%	0.490%	0.360%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%
Capital tax, deductible amount (\$000)	600	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Mining duty rate	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
Depreciation allowance rate assets	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Exploration & development expense allowance rate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Processing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
For mines north of 51°																	
Tax Holiday for first production years	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Limit as % of processing assets for the year	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%

New Brunswick																	
Corporate income tax rate	13%	13%	13%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
Capital tax rate	0.300%	0.300%	0.250%	0.200%	0.100%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Capital tax, deductible amount (\$000)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Metallic minerals royalty	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Royalty holiday on initial production (yr)	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Mining tax rate	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%
Depreciation allowance other assets	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%
Depreciation allowance new mine assets	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Minimum depreciation allowance new mine assets	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Exploration expense allowance rate	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%
Processing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Processing allowance maximum of revenue	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Processing allowance maximum of profit	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%
Financing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Income tax credit maximum annual limit (\$000)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000

Nova Scotia																	
Corporate income tax rate	16%	16%	16%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
Capital tax rate, capital between 5M and 10M	0.550%	0.550%	0.500%	0.450%	0.400%	0.300%	0.200%	0.100%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Capital tax rate, capital above 10M	0.300%	0.275%	0.250%	0.225%	0.200%	0.150%	0.100%	0.050%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Capital tax, deductible amount (\$000)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Capital tax, deductible amount 2nd level (\$000)	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Net revenue royalty	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Royalty holiday on initial production (yr)	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Net income royalty	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Depreciation allowance after yr 3	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Depreciation allowance new mine assets, 1st 3 yr	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Minimum depreciation allowance new mine assets	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Exploration expense allowance rate	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%
Processing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Processing allowance gross-up factor on asset value	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Processing allowance maximum of profit	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%
Financing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Income tax credit maximum annual limit (\$000)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000

Newfoundland & Labrador

Corporate income tax rate	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%
Mining tax rate	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Proportion of Net Income subject to Mining Tax	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
Mineral rights tax rate	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
Depreciation allowance Class 1&2 assets	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Depreciation allowance Class 3 assets	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Exploration expense allowance rate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Processing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Processing allowance maximum of income	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%
Income tax credit (10 yr.)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Income tax credit maximum annual limit (\$000)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000

Yukon

Corporate income tax rate	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
QMA Royalty																		
value of output 1	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
value of output 2	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
value of output 3	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
additional value of output increment	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
royalty rate at output 1	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
royalty rate at output 2	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
royalty rate at output 3	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
royalty rate for additional output increment	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Depreciation allowance rate	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%

International Fiscal Parameters, as of 2007

Current tax and royalty rates, including legislated future changes

Australia	
Federal corporate income tax rate	30%
Western Australia	
Base metal ad valorem royalty rate	5%
Tier 1 ad valorem diamond royalty rate	7.5%
Tier 2 net profit diamond royalty rate	22.5%
South Australia	
Base metal ad valorem royalty rate	3.5%
Reduced ad valorem royalty rate	1.5%
Reduced ad valorem royalty term (yr)	5
Sweden	
Corporate income tax rate	28%
Ad valorem minerals royalty	
to land owner	0.15%
to state	0.05%
total	0.20%
USA	
Federal corporate income tax rate	35%
Alternative minimum tax rate	20%
Environmental tax rate	0.12%
Alaska	
State corporate income tax rate	9.4%
Alternative minimum tax rate	18%
Mining license tax	7%
tax free period (yr)	3
tax reduction in 1st taxable year	50%
tax rate, net income up to \$40k	0%
tax rate, net income between \$40k and \$100k	5%
tax rate, net income above \$100k	7%
Production royalty on net income	3%
Nevada	
State corporate income tax rate	0%
Alternative minimum tax rate	0%
Net proceeds of minerals tax rate	5%
South Africa	
Corporate income tax rate	29%
Ad valorem unrefined base metal royalty rate	4%
Ad valorem unpolished diamond royalty rate	5%
Unpolished diamond export levy	5%

Appendix 5c - BaseMetal10.xls

June 12, 2008

Namibia	
Corporate income tax rate - base metals	37.5%
Corporate income tax rate - diamonds	55%
Non-resident tax on dividends rate	10%
Ad valorem base metal royalty rate	3%
Ad valorem diamond royalty rate	10%
Chile	
First category tax rate	17%
Additional (profits) tax rate	42%
Mining activities tax rate	5%
production threshold for mining activities tax t/y	50,000
Mexico	
Corporate income tax rate	28%
Obligatory profit sharing rate	10%
Tax on assets rate	1.25%
Peru	
Corporate income tax rate	
Basic tax rate	27%
Tax on dividends / profit distributions rate	4%
Effective total statutory rate	30%
Mining Royalty rates, ad valorem base tax rate	
value of sales up to \$60M	1%
value of sales from \$60M to \$120M	2%
value of sales above \$120M	3%
Denmark - Greenland	
Corporate income tax rate	30%
Mineral royalty fee rate	0%

Appendix 5c - BaseMetal10.xls

June 12, 2008

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 10%IRR (NWT), After Tax																				
Northwest Territories																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365
- Normal CCA	0	0	0	0	17,316	39,323	9,945	42,647	52,296	34,779	7,735	7,074	7,429	7,738	8,013	8,264	8,497	7,533	5,650	264,239
- Accelerated CCA	0	0	0	0	0	0	0	0	25,778	81,560	3,238	0	0	0	0	0	0	0	0	110,576
= Resource Profits	0	0	0	0	59,211	7,657	6,275	6,230	4,761	1,793	143,833	115,830	82,234	47,306	122,414	86,888	49,916	130,877	95,326	960,550
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- TerritorialMining Royalty Deduction	0	0	0	0	360	372	344	398	412	425	439	7,759	7,360	2,591	12,963	7,891	2,768	15,231	9,945	69,258
- CEE	0	0	0	0	0	0	0	0	0	0	112,699	0	0	0	0	0	0	0	0	112,699
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest Expense	0	0	0	0	8,924	7,284	5,931	5,832	4,349	1,368	0	0	0	0	0	0	0	0	0	33,688
= Net Profit	0	0	0	0	49,927	0	0	-	-	-	30,695	108,071	74,874	44,714	109,451	78,997	47,148	115,646	85,380	744,904
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Taxable Income	0	0	0	0	49,927	0	0	0	0	0	30,695	108,071	74,874	44,714	109,451	78,997	47,148	115,646	85,380	744,904
Basic Federal Income Tax	0	0	0	0	13,980	0	0	0	0	0	6,753	23,776	16,472	9,837	24,079	17,379	10,373	25,442	18,784	166,875
Federal Income Surtax	0	0	0	0	559	0	0	0	0	0	0	0	0	0	0	0	0	0	0	559
- Resource Income Tax Reduction	0	0	0	0	3,495	0	0	0	0	0	2,149	7,565	5,241	3,130	7,662	5,530	3,300	8,095	5,977	52,143
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense ITC	0	0	0	0	11,044	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11,044
Federal Income Tax	0	0	0	0	0	0	0	0	0	0	4,604	16,211	11,231	6,707	16,418	11,850	7,072	17,347	12,807	104,246
Territorial Income Tax (\$000)																				
= Taxable Income	0	0	0	0	49,927	0	0	0	0	0	30,695	108,071	74,874	44,714	109,451	78,997	47,148	115,646	85,380	744,904
Provincial Income Tax	0	0	0	0	5,742	0	0	0	0	0	3,530	12,428	8,610	5,142	12,587	9,085	5,422	13,299	9,819	85,664
Canada Mining Regulation Royalty (\$000)																				
Net Operating Revenue (incl. ITC)	0	0	0	0	79,604	49,805	18,781	51,817	86,166	121,869	158,966	126,793	93,269	58,354	134,554	98,978	61,926	142,789	105,036	1,388,709
- Exploration & Development Allowance	0	0	0	0	60,072	29,673	0	30,444	0	0	0	0	0	0	0	0	0	0	0	120,189
- Depreciation Allowance	0	0	0	0	0	0	0	6	64,163	99,217	135,652	39,706	8,579	8,751	8,926	9,104	9,286	0	0	383,391
= Income before proc all	0	0	0	0	19,532	20,132	18,781	21,367	22,003	22,652	23,314	87,087	84,690	49,603	125,628	89,874	52,639	142,789	105,036	885,128
- Processing Allowance	0	0	0	0	12,696	13,086	12,208	13,889	14,302	14,724	15,154	15,593	16,041	16,497	16,963	17,438	17,922	17,922	17,922	232,356
= Net Income for Royalty	0	0	0	0	6,836	7,046	6,573	7,478	7,701	7,928	8,160	71,494	68,650	33,106	108,665	72,436	34,717	124,867	87,114	652,773
Territorial Mining Royalty	0	0	0	0	360	372	344	398	412	425	439	7,759	7,360	2,591	12,963	7,891	2,768	15,231	9,945	69,258
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	383,391
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense	0	1,078	3,780	7,070	8,924	7,284	5,931	5,832	4,349	1,368	0	0	0	0	0	0	0	0	0	45,616
- Fed. Income Tax	0	0	0	0	0	0	0	0	0	0	4,604	16,211	11,231	6,707	16,418	11,850	7,072	17,347	12,807	104,246
- Provincial Income Tax	0	0	0	0	5,742	0	0	0	0	0	3,530	12,428	8,610	5,142	12,587	9,085	5,422	13,299	9,819	85,664
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Provincial Mining Tax	0	0	0	0	360	372	344	398	412	425	439	7,759	7,360	2,591	12,963	7,891	2,768	15,231	9,945	69,258
= Net Cash Flow	0	-102,578	-152,190	-153,246	54,179	31,854	2,327	34,877	70,148	108,254	137,988	78,096	53,882	31,852	79,534	57,222	33,864	92,533	68,404	527,000

Appendix 5c - BaseMetal10.xls

June 12, 2008

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 10%IRR (NWT), After Tax																				
Nunavut																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365	
- Normal CCA	0	0	0	17,316	39,323	9,945	42,647	52,296	34,779	7,735	7,074	7,429	7,738	8,013	8,264	8,497	7,533	5,650	264,239	
- Accelerated CCA	0	0	0	0	0	0	0	25,778	81,560	3,238	0	0	0	0	0	0	0	0	110,576	
= Resource Profits	0	0	0	59,211	7,657	6,275	6,230	4,761	1,793	143,833	115,830	82,234	47,306	122,414	86,888	49,916	130,877	95,326	960,550	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Territorial Mining Royalty Deduction	0	0	0	360	372	344	398	412	425	439	7,759	7,360	2,591	12,963	7,891	2,768	15,231	9,945	69,258	
- CEE	0	0	0	0	0	0	0	0	0	112,699	0	0	0	0	0	0	0	0	112,699	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	8,924	7,284	5,931	5,832	4,349	1,368	0	0	0	0	0	0	0	0	0	33,688	
= Net Profit	0	0	0	49,927	0	0	-	-	-	30,695	108,071	74,874	44,714	109,451	78,997	47,148	115,646	85,380	744,904	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	49,927	0	0	0	0	0	30,695	108,071	74,874	44,714	109,451	78,997	47,148	115,646	85,380	744,904	
Basic Federal Income Tax	0	0	0	13,980	0	0	0	0	0	6,753	23,776	16,472	9,837	24,079	17,379	10,373	25,442	18,784	166,875	
Federal Income Surtax	0	0	0	559	0	0	0	0	0	0	0	0	0	0	0	0	0	0	559	
- Resource Income Tax Reduction	0	0	0	3,495	0	0	0	0	0	2,149	7,565	5,241	3,130	7,662	5,530	3,300	8,095	5,977	52,143	
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense ITC	0	0	0	11,044	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11,044	
Federal Income Tax	0	0	0	0	0	0	0	0	0	4,604	16,211	11,231	6,707	16,418	11,850	7,072	17,347	12,807	104,246	
Territorial Income Tax (\$000)																				
= Taxable Income	0	0	0	49,927	0	0	0	0	0	30,695	108,071	74,874	44,714	109,451	78,997	47,148	115,646	85,380	744,904	
Provincial Income Tax	0	0	0	5,991	0	0	0	0	0	3,683	12,969	8,985	5,366	13,134	9,480	5,658	13,878	10,246	89,388	
Canada Mining Regulation Royalty (\$000)																				
Net Operating Revenue (incl. ITC)	0	0	0	79,604	49,805	18,781	51,817	86,166	121,869	158,966	126,793	93,269	58,354	134,554	98,978	61,926	142,789	105,036	1,388,709	
- Exploration & Development Allowance	0	0	0	60,072	29,673	0	30,444	0	0	0	0	0	0	0	0	0	0	0	120,189	
- Depreciation Allowance	0	0	0	0	0	0	6	64,163	99,217	135,652	39,706	8,579	8,751	8,926	9,104	9,286	0	0	383,391	
= Income before proc all	0	0	0	19,532	20,132	18,781	21,367	22,003	22,652	23,314	87,087	84,690	49,603	125,628	89,874	52,639	142,789	105,036	885,128	
- Processing Allowance	0	0	0	12,696	13,086	12,208	13,889	14,302	14,724	15,154	15,593	16,041	16,497	16,963	17,438	17,922	17,922	17,922	232,356	
= Net Income for Royalty	0	0	0	6,836	7,046	6,573	7,478	7,701	7,928	8,160	71,494	68,650	33,106	108,665	72,436	34,717	124,867	87,114	652,773	
Territorial Mining Royalty	0	0	0	360	372	344	398	412	425	439	7,759	7,360	2,591	12,963	7,891	2,768	15,231	9,945	69,258	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255	
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934	
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	383,391	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	0	1,078	3,780	7,070	8,924	7,284	5,931	5,832	4,349	1,368	0	0	0	0	0	0	0	0	45,616	
- Fed. Income Tax	0	0	0	0	0	0	0	0	0	0	4,604	16,211	11,231	6,707	16,418	11,850	7,072	17,347	104,246	
- Provincial Income Tax	0	0	0	0	5,991	0	0	0	0	0	3,683	12,969	8,985	5,366	13,134	9,480	5,658	13,878	89,388	
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Mining Tax	0	0	0	360	372	344	398	412	425	439	7,759	7,360	2,591	12,963	7,891	2,768	15,231	9,945	69,258	
= Net Cash Flow	0	-102,578	-152,190	-153,246	53,930	31,854	2,327	34,877	70,148	108,254	137,834	77,555	53,508	31,629	78,987	56,827	33,628	91,955	67,977	523,275

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 10%IRR (NWT), After Tax																				
British Columbia																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365	
- Normal CCA	0	0	0	16,207	38,812	9,994	42,107	52,824	35,612	9,058	7,074	7,429	7,738	8,013	8,264	8,497	7,533	5,650	264,811	
- Accelerated CCA	0	0	0	0	0	0	0	24,029	78,770	7,206	0	0	0	0	0	0	0	0	110,004	
= Resource Profits	0	0	0	60,320	8,167	6,225	6,770	5,982	3,751	138,544	115,830	82,234	47,306	122,414	86,888	49,916	130,877	95,326	960,550	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- ProvincialMining Royalty Deduction	0	0	0	1,469	883	273	919	1,590	2,288	3,013	2,380	1,721	1,035	2,526	8,010	6,843	18,563	13,655	65,168	
- CEE	0	0	0	0	0	0	0	0	0	112,699	0	0	0	0	0	0	0	0	112,699	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	8,924	7,284	5,952	5,851	4,392	1,463	0	0	0	0	0	0	0	0	0	0	
= Net Profit	0	0	0	49,927	-	0	-	0	-	22,832	113,450	80,513	46,271	119,888	78,878	43,073	112,314	81,671	748,816	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	49,927	0	0	0	0	0	22,832	113,450	80,513	46,271	119,888	78,878	43,073	112,314	81,671	748,816	
Basic Federal Income Tax	0	0	0	13,980	0	0	0	0	0	5,023	24,959	17,713	10,180	26,375	17,353	9,476	24,709	17,968	167,735	
Federal Income Surtax	0	0	0	559	0	0	0	0	0	0	0	0	0	0	0	0	0	0	559	
- Resource Income Tax Reduction	0	0	0	3,495	0	0	0	0	0	1,598	7,941	5,636	3,239	8,392	5,521	3,015	7,862	5,717	52,417	
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense ITC	0	0	0	11,044	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11,044	
Federal Income Tax	0	0	0	0	0	0	0	0	0	3,425	17,017	12,077	6,941	17,983	11,832	6,461	16,847	12,251	104,833	
Provincial Income Tax (\$000)																				
Net Operating Revenue	0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365	
- Regular CCA	0	0	0	66,134	38,812	9,994	42,107	40,342	23,130	6,656	7,074	7,429	7,738	8,013	8,264	8,497	7,533	5,650	287,373	
- Accelerated CCA	0	0	0	0	0	0	0	36,511	50,931	0	0	0	0	0	0	0	0	0	87,443	
= Resource Profits	0	0	0	10,393	8,167	6,225	6,770	5,982	44,071	148,151	115,830	82,234	47,306	122,414	86,888	49,916	130,877	95,326	960,550	
- Mineral Tax	0	0	0	1,469	883	273	919	1,590	2,288	3,013	2,380	1,721	1,035	2,526	8,010	6,843	18,563	13,655	65,168	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- CEE	0	0	0	0	0	0	0	0	0	40,320	83,423	0	0	0	0	0	0	0	123,743	
- Interest Expense	0	0	0	8,924	7,284	5,952	5,851	4,392	1,463	0	0	0	0	0	0	0	0	0	0	
= Net Profit	0	0	0	0	-	0	-	0	0	61,715	113,450	80,513	46,271	119,888	78,878	43,073	112,314	81,671	737,772	
- Prior Years' Losses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	0	0	0	0	0	0	61,715	113,450	80,513	46,271	119,888	78,878	43,073	112,314	81,671	737,772	
Provincial Income Tax	0	0	0	0	0	0	0	0	0	6,789	12,479	8,856	5,090	13,188	8,677	4,738	12,355	8,984	81,155	
Provincial Mining Tax (\$000)																				
Stage I tax																				
Gross revenue	0	0	0	307,764	282,528	256,158	293,942	333,134	373,776	415,911	388,877	360,595	331,026	412,679	382,666	351,287	437,938	406,088	5,334,370	
- Operating Costs	0	0	0	234,315	238,373	242,501	248,004	253,630	259,382	265,263	269,861	274,537	279,293	286,379	291,341	296,387	303,908	309,174	4,052,349	
= Net current proceeds	0	0	0	73,449	44,154	13,658	45,938	79,504	114,394	150,648	119,015	86,057	51,734	126,300	91,325	54,900	134,031	96,915	1,282,021	
= Stage I tax	0	0	0	1,469	883	273	919	1,590	2,288	3,013	2,380	1,721	1,035	2,526	1,826	1,098	2,681	1,938	25,640	
Stage II tax																				
Gross revenue	0	0	0	307,764	282,528	256,158	293,942	333,134	373,776	415,911	388,877	360,595	331,026	412,679	382,666	351,287	437,938	406,088	5,334,370	
- Investment allowance	0	135,333	197,880	194,902	235,482	240,192	244,996	249,895	254,893	259,991	265,191	270,495	275,905	281,423	287,051	292,792	298,648	295,149	3,015,270	
- Opening CEA balance	0	4,940	7,223	18,058	19,859	26,172	23,715	22,957	23,545	22,557	19,993	15,717	9,589	4,776	1,256	0	0	0	220,355	
= Net revenue	0	-140,273	-345,376	-558,335	-505,912	-489,748	-502,300	-481,210	-426,515	-335,287	-204,560	-101,894	-26,793	18,034	124,372	89,874	52,639	142,789	-3,585,457	
Stage II tax	0	0	0	0	0	0	0	0	0	0	0	0	0	2,344	16,168	11,684	6,843	18,563	69,257	
- Prior year CTCAs	0	0	0	0	1,538	2,534	2,939	4,039	5,893	8,564	12,120	15,180	17,693	17,151	3,673	0	0	0	91,324	
- Current year Stage I tax	0	0	0	1,469	883	273	919	1,590	2,288	3,013	2,380	1,721	1,035	2,526	1,826	1,098	2,681	1,938	25,640	
= Net Stage II tax	0	0	0	0	0	0	0	0	0	0	0	0	0	6,184	5,745	15,882	11,716	39,527		
Total Stage I plus Stage II tax	0	0	0	1,469	883	273	919	1,590	2,288	3,013	2,380	1,721	1,035	2,526	8,010	6,843	18,563	13,655	65,168	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255	
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934	
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	383,391	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	0	1,078	3,780	7,070	8,924	7,284	5,952	5,851	4,392	1,463	0	0	0	0	0	0	0	0	45,795	
- Fed. Income Tax	0	0	0	0	0	0	0	0	0	3,425	17,017	12,077	6,941	17,983	11,832	6,461	16,847	12,251	104,833	
- Provincial Income Tax	0	0	0	0	0	0	0	0	0	6,789	12,479	8,856	5,090	13,188	8,677	4,738	12,355	8,984	81,155	
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Mining Tax	0	0	0	1,469	883	273	919	1,590	2,288	3,013	2,380	1,721	1,035	2,526	8,010	6,843	18,563	13,655	65,168	
= Net Cash Flow	0	-102,578	-152,190	-153,246	58,812	31,343	2,376	34,337	68,927	106,297	133,335	82,616	58,430	33,228	87,804	57,529	31,084	90,646	66,086	534,834

Appendix 5c - BaseMetal10.xls

June 12, 2008

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 10%IRR (NWT), After Tax																				
Alberta																				
Metallic & Diamonds																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365
- Normal CCA	0	0	0	0	16,342	38,651	9,518	41,918	52,996	35,754	9,085	7,074	7,429	7,738	8,013	8,264	8,497	7,533	5,650	264,463
- Accelerated CCA	0	0	0	0	0	0	0	0	23,979	79,086	7,288	0	0	0	0	0	0	0	0	110,353
= Resource Profits	0	0	0	0	60,185	8,328	6,701	6,959	5,860	3,292	138,434	115,830	82,234	47,306	122,414	86,888	49,916	130,877	95,326	960,550
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- ProvincialMining Royalty Deduction	0	0	0	0	1,334	1,044	742	1,081	1,433	1,799	2,179	1,867	1,541	1,201	1,973	1,627	1,267	13,921	9,429	42,438
- CEE	0	0	0	0	0	0	0	0	0	0	112,699	0	0	0	0	0	0	0	0	112,699
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest Expense	0	0	0	0	8,924	7,284	5,959	5,878	4,427	1,493	0	0	0	0	0	0	0	0	0	33,966
= Net Profit	0	0	0	0	49,927	0	0	0	-	-	23,555	113,964	80,693	46,104	120,441	85,260	48,649	116,956	85,897	771,447
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Taxable Income	0	0	0	0	49,927	0	0	0	0	0	23,555	113,964	80,693	46,104	120,441	85,260	48,649	116,956	85,897	771,447
Basic Federal Income Tax	0	0	0	0	13,980	0	0	0	0	0	5,182	25,072	17,753	10,143	26,497	18,757	10,703	25,730	18,897	172,714
Federal Income Surtax	0	0	0	0	559	0	0	0	0	0	0	0	0	0	0	0	0	0	0	559
- Resource Income Tax Reduction	0	0	0	0	3,495	0	0	0	0	0	1,649	7,977	5,649	3,227	8,431	5,968	3,405	8,187	6,013	54,001
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense ITC	0	0	0	0	11,044	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11,044
Federal Income Tax	0	0	0	0	0	0	0	0	0	0	3,533	17,095	12,104	6,916	18,066	12,789	7,297	17,543	12,885	108,228
Provincial Income Tax (\$000)																				
Net Operating Revenue	0	0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365
- Regular CCA	0	0	0	0	66,269	38,651	9,518	41,918	40,514	23,272	6,656	7,074	7,429	7,738	8,013	8,264	8,497	7,533	5,650	286,997
- Accelerated CCA	0	0	0	0	0	0	0	0	36,460	51,358	0	0	0	0	0	0	0	0	0	87,818
= Resource Profits	0	0	0	0	10,258	8,328	6,701	6,959	5,860	43,502	148,151	115,830	82,234	47,306	122,414	86,888	49,916	130,877	95,326	960,550
- Resource Tax Deduction	0	0	0	0	1,334	1,044	742	1,081	1,433	1,799	2,179	1,867	1,541	1,201	1,973	1,627	1,267	13,921	9,429	42,438
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- CEE	0	0	0	0	0	0	0	0	0	40,210	83,533	0	0	0	0	0	0	0	0	123,743
- Interest Expense	0	0	0	0	8,924	7,284	5,959	5,878	4,427	1,493	0	0	0	0	0	0	0	0	0	33,966
= Net Profit	0	0	0	0	0	0	0	0	-	0	62,439	113,964	80,693	46,104	120,441	85,260	48,649	116,956	85,897	760,403
- Prior Years' Losses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Taxable Income	0	0	0	0	0	0	0	0	0	0	62,439	113,964	80,693	46,104	120,441	85,260	48,649	116,956	85,897	760,403
Provincial Income Tax	0	0	0	0	0	0	0	0	0	0	6,244	11,396	8,069	4,610	12,044	8,526	4,865	11,696	8,590	76,040
Provincial Mining Tax (\$000)																				
Gross Revenue Portion																				
Gross Revenue	0	0	0	0	307,764	282,528	256,158	293,942	333,134	373,776	415,911	388,877	360,595	331,026	412,679	382,666	351,287	437,938	406,088	5,334,370
- Processing costs	0	0	0	0	150,585	153,597	156,669	159,802	162,998	166,258	169,584	172,975	176,435	179,964	183,563	187,234	190,979	194,798	198,694	2,604,136
- Capital allowance	2,250	13,725	23,089	23,805	24,536	25,281	26,041	26,816	27,607	28,414	29,237	30,076	30,932	31,805	32,696	33,604	33,604	33,604	33,604	477,122
= Mine mouth revenue	0	0	0	0	133,374	104,395	74,208	108,098	143,319	179,911	217,913	186,665	154,084	120,130	197,311	162,736	126,704	209,536	173,790	2,292,175
Tax	0	0	0	0	1,334	1,044	742	1,081	1,433	1,799	2,179	1,867	1,541	1,201	1,973	1,627	1,267	2,095	1,738	22,922
Net Profit Portion																				
- Allowed capital costs	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	9,469	9,656	9,846	383,391
- Allowed operating costs	0	0	0	231,237	235,548	239,939	245,064	250,299	255,645	261,104	265,973	270,931	275,982	282,252	287,515	292,875	299,528	305,113	309,005	3,999,005
- Allowed exportation & development costs	32,500	37,230	50,459	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	120,189
- Processing Allowance	0	0	0	15,870	16,357	16,843	17,329	17,815	18,301	18,787	19,273	19,759	20,245	20,731	21,217	21,703	22,189	22,675	23,161	280,776
- Operating losses carried forward	0	0	0	396,086	342,752	319,598	316,588	292,842	235,810	144,167	16,549	0	0	0	0	0	0	0	0	2,415,802
Net revenue	-101,500	-249,910	-396,086	-342,752	-319,598	-316,588	-292,842	-235,810	-144,167	-16,549	78,453	61,033	25,672	100,298	64,250	26,724	116,007	78,573	-1,864,793	
Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	23,350
Provincial Mining Tax	0	0	0	0	1,334	1,044	742	1,081	1,433	1,799	2,179	1,867	1,541	1,201	1,973	1,627	1,267	13,921	9,429	42,438

Appendix 5c - BaseMetal10.xls

June 12, 2008

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 10%IRR (NWT), After Tax																				
Alberta																				
Metallic & Diamonds																				
Cash Flow from Operations (\$000)																				Total
Net operating revenue		0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	383,391
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense	1,078	3,780	7,070	8,924	7,284	5,959	5,878	4,427	1,493	0	0	0	0	0	0	0	0	0	0	45,894
- Fed. Income Tax	0	0	0	0	0	0	0	0	0	3,533	17,095	12,104	6,916	18,066	12,789	7,297	17,543	12,885	108,228	
- Provincial Income Tax	0	0	0	0	0	0	0	0	0	6,244	11,396	8,069	4,610	12,044	8,526	4,865	11,696	8,590	76,040	
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Provincial Mining Tax	0	0	0	0	1,334	1,044	742	1,081	1,433	1,799	2,179	1,867	1,541	1,201	1,973	1,627	1,267	13,921	9,429	42,438
= Net Cash Flow from Operations, After Tax		-102,578	-152,190	-153,246	58,947	31,182	1,900	34,147	69,049	106,756	134,605	84,136	59,370	33,566	89,418	63,105	35,697	95,250	70,073	559,185

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 10%IRR (NWT), After Tax Saskatchewan (Gold & Base Metal)																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365
- Normal CCA	0	0	0	0	17,651	39,675	9,912	42,340	52,213	34,867	8,104	7,074	7,429	7,738	8,013	8,264	8,497	7,533	5,650	264,961
- Accelerated CCA	0	0	0	0	0	0	0	0	25,179	80,350	4,344	0	0	0	0	0	0	0	0	109,873
= Resource Profits	0	0	0	0	58,876	7,304	6,308	6,537	5,442	2,915	142,360	115,830	82,234	47,306	122,414	86,888	49,916	130,877	95,326	960,531
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Provincial Mining Royalty Deduction	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6,281	4,494	2,632	7,139	6,504	27,050
- CEE	0	0	0	0	0	0	0	0	0	0	112,707	0	0	0	0	0	0	0	0	112,707
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest Expense	0	0	0	0	8,948	7,304	6,308	6,537	5,442	2,915	0	0	0	0	0	0	0	0	0	37,454
= Net Profit	0	0	0	0	49,927	0	0	-	0	0	29,653	115,830	82,234	47,306	116,132	82,394	47,284	123,737	88,822	783,320
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Taxable Income	0	0	0	0	49,927	0	0	0	0	0	29,653	115,830	82,234	47,306	116,132	82,394	47,284	123,737	88,822	783,320
Basic Federal Income Tax	0	0	0	0	13,980	0	0	0	0	0	6,524	25,483	18,092	10,407	25,549	18,127	10,403	27,222	19,541	175,326
Federal Income Surtax	0	0	0	0	559	0	0	0	0	0	0	0	0	0	0	0	0	0	0	559
- Resource Income Tax Reduction	0	0	0	0	3,495	0	0	0	0	0	2,076	8,108	5,756	3,311	8,129	5,768	3,310	8,662	6,218	54,832
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense ITC	0	0	0	0	11,044	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11,044
Federal Income Tax	0	0	0	0	0	0	0	0	0	0	4,448	17,375	12,335	7,096	17,420	12,359	7,093	18,561	13,323	110,009
Provincial Income Tax (\$000)																				
Taxable Income (from Federal Calc'n)	0	0	0	0	49,927	0	0	0	0	0	29,653	115,830	82,234	47,306	116,132	82,394	47,284	123,737	88,822	783,320
Provincial Income Tax	0	0	0	0	6,740	0	0	0	0	0	3,558	13,900	9,868	5,677	13,936	9,887	5,674	14,848	10,659	94,747
Provincial Capital Tax (\$000)																				
Taxable Capital	17,171	50,359	62,338	80,459	76,663	32,045	22,818	40,491	92,748	285,284	306,547	295,909								
Basic Capital Tax	43	242	262	141	67	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross resource production revenue	0	0	0	307,764	282,528	256,158	293,942	333,134	373,776	415,911	388,877	360,595	331,026	412,679	382,666	351,287	437,938	406,088	5,334,370	
Resource surcharge	0	0	0	9,848	8,758	7,685	8,818	9,994	11,213	12,477	11,666	10,818	9,931	12,380	11,480	10,539	13,138	12,183	3,945,661	
Resource Surtax	0	0	0	9,708	8,692	7,685	8,818	9,994	11,213	12,477	11,666	10,818	9,931	12,380	11,480	10,539	13,138	12,183	180,284	
Capital Tax	43	242	262	9,848	8,758	7,685	8,818	9,994	11,213	12,477	11,666	10,818	9,931	12,380	11,480	10,539	13,138	12,183	383,391	
Provincial Mining Royalty (\$000)																				
Gross revenue	0	0	0	307,764	282,528	256,158	293,942	333,134	373,776	415,911	388,877	360,595	331,026	412,679	382,666	351,287	437,938	406,088	5,334,370	
- Operating costs	0	0	0	228,160	232,723	237,377	242,125	246,967	251,907	256,945	262,084	267,325	272,672	278,125	283,688	289,362	295,149	301,052	301,052	3,945,661
- Preproduction Allowance	0	0	0	79,604	49,805	18,781	32,094	0	0	0	0	0	0	0	0	0	0	0	0	180,284
- Exploration & Development	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Depreciation	0	0	0	0	0	0	19,723	86,166	121,869	102,574	8,411	8,579	8,751	8,926	9,104	9,286	0	0	0	383,391
- Loss carryforward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Profit	0	0	0	0	0	0	0	0	0	56,392	118,382	84,690	49,603	125,628	89,874	52,639	142,789	105,036	825,034	
Basic royalty	0	0	0	0	0	0	0	0	0	2,820	5,919	4,235	2,480	6,281	4,494	2,632	7,139	6,504	42,503	
Royalty holiday	0	0	0	0	0	0	0	0	0	2,820	5,919	4,235	2,480	0	0	0	0	0	0	15,453
	0	0	0	0	0	0	0	0	0	0	0	0	0	6,281	4,494	2,632	7,139	6,504	27,050	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	383,391
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense	1,079	3,787	7,088	8,948	7,304	6,308	6,537	5,442	2,915	0	0	0	0	0	0	0	0	0	0	49,408
- Fed. Income Tax	0	0	0	0	0	0	0	0	0	4,448	17,375	12,335	7,096	17,420	12,359	7,093	18,561	13,323	110,009	
- Provincial Income Tax	0	0	0	0	6,740	0	0	0	0	3,558	13,900	9,868	5,677	13,936	9,887	5,674	14,848	10,659	94,747	
- Provincial Capital Tax	0	43	242	262	9,848	8,758	7,685	8,818	9,994	11,213	12,477	11,666	10,818	0	0	0	0	0	0	91,825
- Provincial Mining Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	6,281	4,494	2,632	7,139	6,504	27,050	
= Net Cash Flow from Operations, After Tax	-102,622	-152,439	-153,526	43,668	23,448	-5,391	25,752	59,473	95,919	126,077	71,553	48,063	33,520	83,864	59,307	33,728	97,862	70,490	458,744	

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June 12, 2008

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 10%IRR (NWT), After Tax																				
Manitoba																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365	
- Normal CCA	0	0	0	17,652	39,676	10,269	43,031	49,853	32,235	6,656	7,074	7,429	7,738	8,013	8,264	8,497	7,533	5,650	259,569	
- Accelerated CCA	0	0	0	0	0	0	0	28,626	78,246	0	0	0	0	0	0	0	0	0	106,872	
= Resource Profits	0	0	0	58,875	7,304	5,950	5,847	4,356	7,651	148,151	115,830	82,234	47,306	122,414	86,888	49,916	130,877	95,326	968,924	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Mining Royalty Deduction	0	0	0	0	0	0	0	0	1,603	11,596	8,049	4,158	2,573	9,205	4,924	2,731	14,977	8,793	68,609	
- CEE	0	0	0	0	0	0	0	0	4,677	104,468	0	0	0	0	0	0	0	0	109,145	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	8,947	7,304	5,950	5,847	4,356	1,371	0	0	0	0	0	0	0	0	0	33,775	
= Net Profit	0	0	0	49,927	0	0	0	0	0	32,087	107,781	78,076	44,732	113,209	81,964	47,185	115,900	86,532	757,394	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	49,927	0	0	0	0	0	32,087	107,781	78,076	44,732	113,209	81,964	47,185	115,900	86,532	757,394	
Basic Federal Income Tax	0	0	0	13,980	0	0	0	0	0	7,059	23,712	17,177	9,841	24,906	18,032	10,381	25,498	19,037	169,622	
Federal Income Surtax	0	0	0	559	0	0	0	0	0	0	0	0	0	0	0	0	0	0	559	
- Resource Income Tax Reduction	0	0	0	3,495	0	0	0	0	0	2,246	7,545	5,465	3,131	7,925	5,737	3,303	8,113	6,057	53,018	
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense ITC	0	0	0	11,044	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11,044	
Federal Income Tax	0	0	0	0	0	0	0	0	0	4,813	16,167	11,711	6,710	16,981	12,295	7,078	17,385	12,980	106,120	
Provincial Income Tax (\$000)																				
Taxable Income (from Federal Calc'n)	0	0	0	49,927	0	0	0	0	0	32,087	107,781	78,076	44,732	113,209	81,964	47,185	115,900	86,532	757,394	
Provincial Income Tax	0	0	0	6,990	0	0	0	0	0	4,171	14,012	10,150	5,815	14,717	10,655	6,134	15,067	11,249	98,961	
Provincial Capital Tax (\$000)																				
Taxable Capital	17,171	50,360	65,902	93,199	97,801	61,011	55,708	84,155	151,667	334,558	359,128	354,105								
Basic Capital Tax	37	136	183	265	278	168	152	237	440	989	1,062	1,047								
Capital Surtax	4	71	102	156	83	46	41	69	137	320	344	339								
Capital Tax	41	207	285	421	361	214	193	307	577	1,308	1,407	1,386								6,706
Provincial Mining Tax (\$000)																				
Net Operating Revenue	0	0	0	79,604	49,805	18,781	51,817	86,166	121,869	158,966	126,793	93,269	58,354	134,554	98,978	61,926	142,789	105,036	1,388,709	
- Exploration Expenses	0	0	0	0	0	0	0	0	51,091	0	0	0	0	0	0	0	0	0	51,091	
- Depreciation Allowance	0	0	0	73,031	49,805	18,781	49,279	41,008	34,424	29,051	23,929	20,169	0	19,094	16,307	0	14,247	11,378	400,501	
- Tax Holiday Allowance	0	0	0	6,574	0	0	2,538	45,158	0	0	0	0	0	0	0	0	0	0	54,270	
= Profit before proc all	0	0	0	0	0	0	0	36,355	129,915	102,864	73,100	58,354	115,460	82,671	61,926	128,543	93,658	882,848		
- Processing Allowance	0	0	0	0	0	0	0	23,631	37,885	38,982	40,101	37,930	42,407	43,595	40,252	44,806	44,806	394,395		
= Taxable Profit	0	0	0	0	0	0	0	12,724	92,030	63,882	32,999	20,424	73,053	39,077	21,674	83,737	48,853	488,453		
Special Tax	0	0	0	0	0	0	0	64	460	319	165	102	365	195	108	419	244	2,442		
Mining Tax	0	0	0	0	0	0	0	2,290	16,565	11,499	5,940	3,676	13,150	7,034	3,901	15,073	8,793	87,922		
- Investment Credit	0	0	0	0	0	0	0	687	4,970	3,450	1,782	1,103	3,945	2,110	1,170	96	0	19,313		
- Special Tax Refund	0	0	0	0	0	0	0	64	460	319	165	102	365	195	108	419	244	2,442		
	0	0	0	0	0	0	0	1,603	11,596	8,049	4,158	2,573	9,205	4,924	2,731	14,977	8,793	68,609		
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255	
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934	
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	383,391	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	1,079	3,786	7,087	8,947	7,304	5,950	5,847	4,356	1,371	0	0	0	0	0	0	0	0	0	45,727	
- Fed. Income Tax	0	0	0	0	0	0	0	0	0	4,813	16,167	11,711	6,710	16,981	12,295	7,078	17,385	12,980	106,120	
- Provincial Income Tax	0	0	0	6,990	0	0	0	0	0	4,171	14,012	10,150	5,815	14,717	10,655	6,134	15,067	11,249	98,961	
- Provincial Capital Tax	0	41	207	285	421	361	214	193	307	577	1,308	1,407	1,386	0	0	0	0	0	6,706	
- Provincial Mining Tax	0	0	0	0	0	0	0	0	1,603	11,596	8,049	4,158	2,573	9,205	4,924	2,731	14,977	8,793	68,609	
= Net Cash Flow from Operations, After Tax	-102,620	-152,403	-153,548	52,846	31,846	2,437	35,067	70,246	106,496	124,672	74,859	53,678	31,195	80,598	58,173	33,184	90,982	67,953	505,662	

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MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 10%IRR (NWT), After Tax																				
Ontario																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365	
- Normal CCA	0	0	0	17,661	39,345	9,581	42,200	52,409	35,032	8,173	7,074	7,429	7,738	8,013	8,264	8,497	7,533	5,650	264,601	
- Accelerated CCA	0	0	0	0	0	0	0	25,104	80,570	4,552	0	0	0	0	0	0	0	0	110,226	
= Resource Profits	0	0	0	58,866	7,634	6,638	6,677	5,322	2,530	142,082	115,830	82,234	47,306	122,414	86,888	49,916	130,877	95,326	960,539	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Mining Royalty Deduction	0	0	0	0	338	607	698	720	743	8,352	10,044	6,852	3,299	10,661	7,328	3,605	11,609	8,252	73,107	
- CEE	0	0	0	0	0	0	0	0	0	112,704	0	0	0	0	0	0	0	0	112,704	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	8,938	7,296	6,031	5,979	4,601	1,787	0	0	0	0	0	0	0	0	0	0	
= Net Profit	0	0	0	49,927	0	0	-	0	-	21,026	105,787	75,382	44,007	111,752	79,560	46,311	119,268	87,074	740,095	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	49,927	0	0	0	0	0	21,026	105,787	75,382	44,007	111,752	79,560	46,311	119,268	87,074	740,095	
Basic Federal Income Tax	0	0	0	13,980	0	0	0	0	0	4,626	23,273	16,584	9,682	24,586	17,503	10,189	26,239	19,156	165,816	
Federal Income Surtax	0	0	0	559	0	0	0	0	0	0	0	0	0	0	0	0	0	0	559	
- Resource Income Tax Reduction	0	0	0	3,495	0	0	0	0	0	1,472	7,405	5,277	3,080	7,823	5,569	3,242	8,349	6,095	51,807	
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense ITC	0	0	0	11,044	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11,044	
Federal Income Tax	0	0	0	0	0	0	0	0	0	3,154	15,868	11,307	6,601	16,763	11,934	6,947	17,890	13,061	103,525	
Provincial Income Tax (\$000)																				
Net Operating Revenue	0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365	
- Regular CCA	0	0	0	64,609	37,251	8,178	40,905	41,870	24,697	6,656	7,074	7,429	7,738	8,013	8,264	8,497	7,533	5,650	284,365	
- Accelerated CCA	0	0	0	0	0	0	0	34,829	55,632	0	0	0	0	0	0	0	0	0	90,462	
= Resource Profits	0	0	0	11,918	9,728	8,041	7,973	6,135	37,803	148,151	115,830	82,234	47,306	122,414	86,888	49,916	130,877	95,326	960,539	
- Resource Allowance	0	0	0	2,979	2,432	2,010	1,993	1,534	9,451	37,038	28,958	20,559	11,826	30,603	21,722	12,479	32,719	23,831	240,135	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- CEE	0	0	0	0	0	0	0	0	26,565	97,183	0	0	0	0	0	0	0	0	123,748	
- Interest Expense	0	0	0	8,938	7,296	6,031	5,979	4,601	1,787	0	0	0	0	0	0	0	0	0	34,633	
= Net Profit	0	0	0	0	0	0	0	0	0	13,931	86,873	61,676	35,479	91,810	65,166	37,437	98,158	71,494	562,023	
- Prior Years' Losses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	0	0	0	0	0	0	13,931	86,873	61,676	35,479	91,810	65,166	37,437	98,158	71,494	562,023	
Basic Provincial Income Tax	0	0	0	0	0	0	0	0	0	1,672	10,425	7,401	4,258	11,017	7,820	4,492	11,779	8,579	67,443	
Corporate Minimum Tax	0	0	0	3,061	1,879	649	1,955	3,313	4,725	4,521	-5,509	-3,815	-2,056	-5,800	-2,924	0	0	0	0	
Provincial Income Tax	0	0	0	3,061	1,879	649	1,955	3,313	4,725	6,192	4,916	3,587	2,202	5,217	4,895	4,492	11,779	8,579	67,443	
Provincial Capital Tax (\$000)																				
Taxable Capital	17,171	50,362	62,351	93,768	96,289	58,279	50,331	74,761	133,891	329,209	362,584	363,222								
Capital Tax	37	129	157	232	232	97	53	45	0	0	0	0	0	0	0	0	0	0	0	981
Provincial Mining Tax (\$000)																				
Net Operating Revenue	0	0	0	79,604	49,805	18,781	51,817	86,166	121,869	158,966	126,793	93,269	58,354	134,554	98,978	61,926	142,789	105,036	1,388,709	
- Exploration & Development Allowance	0	0	0	60,072	29,673	0	30,450	64,163	30,930	7,888	8,046	8,207	8,371	8,538	8,263	7,955	6,218	4,599	283,371	
Profit before proc all	0	0	0	19,532	20,132	18,781	21,367	22,003	22,652	99,177	118,747	85,063	49,983	126,016	90,715	53,971	136,572	100,438	985,148	
- Processing Allowance	0	0	0	12,696	13,086	12,208	13,889	14,302	14,724	15,154	17,812	16,041	16,497	18,902	17,438	17,922	20,486	17,922	239,078	
Income after Processing Allowance	0	0	0	6,836	7,046	6,573	7,478	7,701	7,928	84,023	100,935	69,022	33,486	107,113	73,277	36,049	116,086	82,515	746,070	
- Mining Tax Exemption	500	500	500	7,336	3,664	500	500	500	500	500	500	500	500	500	500	0	0	0	17,000	
Taxable Income	0	0	0	3,382	6,073	6,073	6,978	7,201	7,428	83,523	100,435	68,522	32,986	106,613	73,277	36,049	116,086	82,515	731,070	
Provincial Mining Tax	0	0	0	0	338	607	698	720	743	8,352	10,044	6,852	3,299	10,661	7,328	3,605	11,609	8,252	73,107	

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MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 10%IRR (NWT), After Tax																				
Ontario Mining Tax																				
Cash Flow from Operations (\$000)																				
Net operating revenue		0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	383,391
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense	1,079	3,784	7,081	8,938	7,296	6,031	5,979	4,601	1,787	0	0	0	0	0	0	0	0	0	0	46,577
- Fed. Income Tax	0	0	0	0	0	0	0	0	0	3,154	15,868	11,307	6,601	16,763	11,934	6,947	17,890	13,061	103,525	
- Provincial Income Tax	0	0	0	0	3,061	1,879	649	1,955	3,313	4,725	6,192	4,916	3,587	2,202	5,217	4,895	4,492	11,779	8,579	67,443
- Provincial Capital Tax	0	37	129	157	232	232	97	53	45	0	0	0	0	0	0	0	0	0	0	981
- Provincial Mining Tax	0	0	0	0	0	338	607	698	720	743	8,352	10,044	6,852	3,299	10,661	7,328	3,605	11,609	8,252	73,107
= Net Cash Flow from Operations, After Tax		-102,616	-152,322	-153,414	56,974	29,765	1,217	32,421	66,229	102,792	128,862	83,665	59,338	34,192	88,860	61,890	34,082	97,132	71,084	540,152

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 10%IRR (NWT), After Tax																				
Quebec																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365
- Normal CCA	0	0	0	0	17,009	38,975	9,593	42,212	52,615	35,218	8,307	7,074	7,429	7,738	8,013	8,264	8,497	7,533	5,650	264,127
- Accelerated CCA	0	0	0	0	0	0	0	0	24,978	80,590	4,955	0	0	0	0	0	0	0	0	110,523
= Resource Profits	0	0	0	0	59,518	8,005	6,626	6,665	5,242	2,324	141,545	115,830	82,234	47,306	122,414	86,888	49,916	130,877	95,326	960,715
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Provincial Mining Royalty Deduction	0	0	0	0	820	846	789	897	924	951	1,814	12,335	8,238	3,973	13,040	8,692	4,166	14,984	10,454	82,923
- CEE	0	0	0	0	0	0	0	0	0	0	112,629	0	0	0	0	0	0	0	0	112,629
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest Expense	0	0	0	0	8,770	7,159	5,837	5,768	4,318	1,373	0	0	0	0	0	0	0	0	0	33,225
= Net Profit	0	0	0	0	49,927	0	0	0	-	0	27,102	103,496	73,996	43,333	109,374	78,195	45,750	115,893	84,872	731,938
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Taxable Income	0	0	0	0	49,927	0	0	0	0	0	27,102	103,496	73,996	43,333	109,374	78,195	45,750	115,893	84,872	731,938
Basic Federal Income Tax	0	0	0	0	13,980	0	0	0	0	0	5,962	22,769	16,279	9,533	24,062	17,203	10,065	25,496	18,672	164,022
Federal Income Surtax	0	0	0	0	559	0	0	0	0	0	0	0	0	0	0	0	0	0	0	559
- Resource Income Tax Reduction	0	0	0	0	3,495	0	0	0	0	0	1,897	7,245	5,180	3,033	7,656	5,474	3,203	8,112	5,941	51,236
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense ITC	0	0	0	0	11,044	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11,044
Federal Income Tax	0	0	0	0	0	0	0	0	0	0	4,065	15,524	11,099	6,500	16,406	11,729	6,863	17,384	12,731	102,302
Provincial Income Tax (\$000)																				
Net Operating Revenue	0	0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365
- Regular CCA	0	0	0	0	66,936	38,975	9,593	42,212	40,117	22,720	6,656	7,074	7,429	7,738	8,013	8,264	8,497	7,533	5,650	287,407
- Accelerated CCA	0	0	0	0	0	0	0	0	37,476	49,702	0	0	0	0	0	0	0	0	0	87,178
= Resource Profits	0	0	0	0	9,591	8,005	6,626	6,665	5,242	45,710	148,151	115,830	82,234	47,306	122,414	86,888	49,916	130,877	95,326	960,780
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Resource royalties	0	0	0	0	820	846	789	897	924	951	1,814	12,335	8,238	3,973	13,040	8,692	4,166	14,984	10,454	82,923
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- CEE	0	0	0	0	0	0	0	0	0	43,386	80,352	0	0	0	0	0	0	0	0	123,737
- Interest Expense	0	0	0	0	8,770	7,159	5,837	5,768	4,318	1,373	0	0	0	0	0	0	0	0	0	33,225
= Net Profit	0	0	0	0	0	0	0	0	-	0	65,985	103,496	73,996	43,333	109,374	78,195	45,750	115,893	84,872	720,894
- Prior Years' Losses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Taxable Income	0	0	0	0	0	0	0	0	0	0	65,985	103,496	73,996	43,333	109,374	78,195	45,750	115,893	84,872	720,894
Provincial Income Tax	0	0	0	0	0	0	0	0	0	0	7,852	12,316	8,806	5,157	13,015	9,305	5,444	13,791	10,100	85,786
Provincial Capital Tax (\$000)																				
Taxable Capital	33,133	80,137	124,234	146,422	141,629	116,570	112,403	130,731	173,105	230,382	245,927	241,623								
Capital Tax	195	415	604	524	408	335	323	376	499	665	710	698	0	0	0	0	0	0	0	5,753
Provincial Mining Duty (\$000)																				
Net Operating Revenue	0	0	0	0	79,604	49,805	18,781	51,817	86,166	121,869	158,966	126,793	93,269	58,354	134,554	98,978	61,926	142,789	105,036	1,388,709
- Depreciation Allowance	0	0	0	0	0	7,811	0	30,450	64,163	99,217	128,692	8,411	8,579	8,751	8,926	9,104	9,286	0	0	383,391
	12,500	12,750	13,005																	38,255
- Exploration & Development Allowance	0	0	0	0	60,072	21,862	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
= Profit before proc all	-12,500	-12,750	-13,005	0	19,532	20,132	18,781	21,367	22,003	22,652	30,274	118,382	84,690	49,603	125,628	89,874	52,639	142,789	105,036	885,128
- Processing Allowance	0	0	0	0	12,696	13,086	12,208	13,889	14,302	14,724	15,154	15,593	16,041	16,497	16,963	17,438	17,922	17,922	17,922	232,356
= Taxable Income	-12,500	-12,750	-13,005	0	6,836	7,046	6,573	7,478	7,701	7,928	15,120	102,789	68,650	33,106	108,665	72,436	34,717	124,867	87,114	652,773
Provincial Mining Duty	-1,500	-1,530	-1,561	0	820	846	789	897	924	951	1,814	12,335	8,238	3,973	13,040	8,692	4,166	14,984	10,454	78,333

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June 12, 2008

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 10%IRR (NWT), After Tax																				
Quebec																				
Cash Flow from Operations (\$000)																				Total
Net operating revenue		0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	383,391
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense	1,051	3,699	6,942	8,770	7,159	5,837	5,768	4,318	1,373	0	0	0	0	0	0	0	0	0	0	44,918
- Fed. Income Tax	0	0	0	0	0	0	0	0	0	4,065	15,524	11,099	6,500	16,406	11,729	6,863	17,384	12,731	102,302	
- Provincial Income Tax	0	0	0	0	0	0	0	0	0	7,852	12,316	8,806	5,157	13,015	9,305	5,444	13,791	10,100	85,786	
- Provincial Capital Tax	0	195	415	604	524	408	335	323	376	499	665	710	698	0	0	0	0	0	0	5,753
- Provincial Mining Tax	0	-1,500	-1,530	-1,561	820	846	789	897	924	951	1,814	12,335	8,238	3,973	13,040	8,692	4,166	14,984	10,454	78,333
= Net Cash Flow from Operations, After Tax		-101,246	-150,995	-152,162	59,090	31,098	1,640	34,119	69,291	107,224	132,164	73,608	52,243	30,664	79,040	56,320	32,654	92,251	67,691	514,694

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June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 10%IRR (NWT), After Tax																				
New Brunswick																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365	
- Normal CCA	0	0	0	0	0	0	0	5,470	71,801	47,326	13,298	7,543	7,596	7,675	7,774	7,888	6,831	5,820	189,022	
- Accelerated CCA	0	0	0	0	0	0	0	0	33,408	96,242	17,328	0	0	0	0	0	0	0	146,978	
= Resource Profits	0	0	0	76,527	46,979	16,219	48,877	77,365	12,923	11,239	92,279	82,121	47,448	122,752	87,378	50,525	131,579	95,156	999,366	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- ProvincialMining Royalty Deduction	0	0	0	1,061	138	1,744	2,665	4,217	4,965	5,741	8,436	13,639	8,073	21,566	15,289	8,748	23,636	17,368	137,286	
- CEE	0	0	0	0	0	0	0	0	0	0	78,236	34,477	0	0	0	0	0	0	112,713	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	8,965	7,318	6,166	6,179	5,012	2,568	0	0	0	0	0	0	0	0	0	36,209	
= Net Profit	0	0	0	66,501	39,523	8,310	40,033	68,136	5,390	5,497	5,607	34,004	39,374	101,186	72,088	41,777	107,943	77,788	713,158	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	66,501	39,523	8,310	40,033	68,136	5,390	5,497	5,607	34,004	39,374	101,186	72,088	41,777	107,943	77,788	713,158	
Basic Federal Income Tax	0	0	0	18,620	10,473	2,161	10,008	16,012	1,186	1,209	1,234	7,481	8,662	22,261	15,859	9,191	23,747	17,113	165,219	
Federal Income Surtax	0	0	0	745	0	0	0	0	0	0	0	0	0	0	0	0	0	0	745	
- Resource Income Tax Reduction	0	0	0	4,655	2,767	582	2,802	4,770	377	385	393	2,380	2,756	7,083	5,046	2,924	7,556	5,445	49,921	
- Atlantic ITC	0	0	0	14,710	7,707	1,579	6,612	793	808	825	841	858	875	893	910	929	0	0	38,339	
- Exploration Expense ITC	0	0	0	0	0	0	594	10,450	0	0	0	0	0	0	0	0	0	0	11,044	
Federal Income Tax	0	0	0	0	0	0	0	0	0	-	-	4,243	5,031	14,285	9,903	5,338	16,191	11,668	66,659	
Provincial Income Tax (\$000)																				
Taxable Income (from Federal Calc'n)	0	0	0	66,501	39,523	8,310	40,033	68,136	5,390	5,497	5,607	34,004	39,374	101,186	72,088	41,777	107,943	77,788	713,158	
Provincial Income Tax	0	0	0	7,980	4,743	997	4,804	8,176	647	660	673	4,081	4,725	12,142	8,651	5,013	12,953	9,335	85,579	
Provincial Capital Tax (\$000)																				
Taxable Capital	44,669	115,081	181,068	206,328	195,156	155,623	143,018	158,722												
Provincial Mining Tax (\$000)																				
Metallic Minerals Royalty																				
Mine Revenue (net of transportation, smelting and further processing costs)	0	0	0	307,764	282,528	256,158	293,942	333,134	373,776	415,911	388,877	360,595	331,026	412,679	382,666	351,287	437,938	406,088	5,334,370	
- Milling costs	0	0	0	150,585	153,597	156,669	159,802	162,998	166,258	169,584	172,975	176,435	179,964	183,563	187,234	190,979	194,798	198,694	2,604,136	
- Processing allowance	0	0	0	12,314	12,314	12,314	12,314	12,314	12,314	12,314	12,314	12,314	12,314	12,314	12,314	12,314	12,314	12,314	184,709	
= Net Revenue	0	0	0	144,865	116,617	87,175	121,825	157,821	195,204	234,013	203,588	171,846	138,749	216,802	183,118	147,995	230,826	195,080	2,545,525	
Metallic minerals royalty	0	0	0	0	0	1,744	2,437	3,156	3,904	4,680	4,072	3,437	2,775	4,336	3,662	2,960	4,617	3,902	45,681	
Mining Tax																				
Net Operating Revenue	0	0	0	79,604	49,805	18,781	51,817	86,166	121,869	158,966	126,793	93,269	58,354	134,554	98,978	61,926	142,789	105,036	1,388,709	
- Exploration Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Depreciation Allowance	0	0	0	30,837	18,656	15,648	17,970	38,813	79,038	124,215	77,830	8,749	8,750	8,808	8,907	9,033	6,023	4,015	457,294	
- Financing Allowance	0	0	0	26,745	25,850	25,208	24,392	21,921	16,245	6,967	1,414	1,400	1,400	1,410	1,425	1,446	964	643	157,429	
- Provincial royalties, rental and charges	0	0	0	0	0	1,744	2,437	3,156	3,904	4,680	4,072	3,437	2,775	4,336	3,662	2,960	4,617	3,902	45,681	
- 3rd party royalty, not to the province	0	0	0	3,078	2,825	2,562	2,939	3,331	3,738	4,159	3,889	3,606	0	0	0	0	0	0	30,127	
= Profit before proc all	0	0	0	18,944	2,473	0	4,079	18,944	18,944	18,944	39,589	76,077	45,429	120,000	84,983	48,487	131,187	96,477	724,559	
= Taxable Income for Mining Tax	0	0	0	12,314	1,607	0	2,651	12,314	12,314	12,314	12,314	12,314	12,314	12,314	12,314	12,314	12,314	12,314	152,026	
Mining tax	0	0	0	6,631	865	0	1,428	6,631	6,631	6,631	27,275	63,764	33,115	107,686	72,670	36,173	118,873	84,163	572,533	
Provincial Mining Tax	0	0	0	1,061	138	0	228	1,061	1,061	1,061	4,364	10,202	5,298	17,230	11,627	5,788	19,020	13,466	91,605	
Royalty Holder Mining Tax (\$000)																				
Royalty income	0	0	0	3,078	2,825	2,562	2,939	3,331	3,738	4,159	3,889	3,606	0	0	0	0	0	0	30,127	
Mining tax on royalty income	0	0	0	492	452	410	470	533	598	665	622	577	0	0	0	0	0	0	4,820	

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June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 10%IRR (NWT), After Tax																				
New Brunswick																				
Cash Flow from Operations (\$000)																				Total
Net operating revenue		0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	383,391
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense	1,081	3,793	7,101	8,965	7,318	6,166	6,179	5,012	2,568	0	0	0	0	0	0	0	0	0	0	48,183
- Fed. Income Tax	0	0	0	0	0	0	0	0	0	0	-	-	4,243	5,031	14,285	9,903	5,338	16,191	11,668	66,659
- Provincial Income Tax	0	0	0	7,980	4,743	997	4,804	8,176	647	660	673	4,081	4,725	12,142	8,651	5,013	12,953	9,335	0	85,579
- Provincial Capital Tax	134	345	453	413	195	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,540
- Provincial Mining Tax	0	0	0	1,061	138	1,744	2,665	4,217	4,965	5,741	8,436	13,639	8,073	21,566	15,289	8,748	23,636	17,368	0	137,286
= Net Cash Flow from Operations, After Tax	-102,715	-152,548	-153,730	50,786	27,116	-305	27,459	57,504	101,867	140,160	105,385	59,122	28,464	73,508	52,204	30,028	85,629	62,605	492,537	

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 10%IRR (NWT), After Tax																				
Nova Scotia																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365
- Normal CCA	0	0	0	0	0	0	0	0	0	73,902	54,739	23,131	8,120	8,029	8,000	8,017	8,071	6,968	5,923	204,899
- Accelerated CCA	0	0	0	0	0	0	0	0	0	7,125	79,148	44,520	0	0	0	0	0	0	0	130,793
= Resource Profits	0	0	0	0	76,527	46,979	16,219	48,877	82,835	37,104	20,920	55,253	81,544	47,015	122,427	87,134	50,342	131,442	95,053	999,673
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Provincial Mining Royalty Deduction	0	0	0	0	6,155	5,651	5,123	5,879	6,663	7,768	15,423	12,052	8,035	6,621	15,410	10,403	7,026	17,771	12,510	142,488
- CEE	0	0	0	0	0	0	0	0	0	0	37,593	67,789	7,331	0	0	0	0	0	0	112,713
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest Expense	0	0	0	0	8,966	7,319	6,380	6,537	5,510	3,207	0	0	0	0	0	0	0	0	0	37,919
= Net Profit	0	0	0	0	61,406	34,010	4,716	36,461	70,663	26,129	5,497	5,607	5,720	33,064	107,017	76,731	43,316	113,671	82,543	706,552
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Taxable Income	0	0	0	0	61,406	34,010	4,716	36,461	70,663	26,129	5,497	5,607	5,720	33,064	107,017	76,731	43,316	113,671	82,543	706,552
Basic Federal Income Tax	0	0	0	0	17,194	9,013	1,226	9,115	16,606	5,748	1,209	1,234	1,258	7,274	23,544	16,881	9,530	25,008	18,160	162,999
Federal Income Surtax	0	0	0	0	688	0	0	0	0	0	0	0	0	0	0	0	0	0	0	688
- Resource Income Tax Reduction	0	0	0	0	4,298	2,381	330	2,552	4,946	1,829	385	393	400	2,314	7,491	5,371	3,032	7,957	5,778	49,459
- Atlantic ITC	0	0	0	0	13,583	6,632	896	6,563	3,726	808	825	841	858	875	893	910	929	0	0	38,339
- Exploration Expense ITC	0	0	0	0	0	0	0	0	7,933	3,111	0	0	0	0	0	0	0	0	0	11,044
Federal Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	4,084	15,160	10,599	5,569	17,051	12,382	64,845
Provincial Income Tax (\$000)																				
Taxable Income (from Federal Calc'n)	0	0	0	0	61,406	34,010	4,716	36,461	70,663	26,129	5,497	5,607	5,720	33,064	107,017	76,731	43,316	113,671	82,543	706,552
Provincial Income Tax	0	0	0	0	7,369	4,081	566	4,375	8,480	3,136	660	673	686	3,968	12,842	9,208	5,198	13,641	9,905	84,786
Provincial Capital Tax (\$000)																				
Taxable Capital	49,668	120,080	186,067	206,792	190,582	147,666	135,166	147,550												
Capital Tax	149	330	465	465	381	221	135	74												2,221
Provincial Mining Tax (\$000)																				
Net Revenue Royalty Royalty																				
Mine Revenue (net of transportation, smelting and further processing costs)	0	0	0	0	307,764	282,528	256,158	293,942	333,134	373,776	415,911	388,877	360,595	331,026	412,679	382,666	351,287	437,938	406,088	5,334,370
Net revenue royalty	0	0	0	0	6,155	5,651	5,123	5,879	6,663	7,476	8,318	7,778	7,212	6,621	8,254	7,653	7,026	8,759	8,122	106,687
Mining Tax																				
Net Operating Revenue	0	0	0	0	79,604	49,805	18,781	51,817	86,166	121,869	158,966	126,793	93,269	58,354	134,554	98,978	61,926	142,789	105,036	1,388,709
- Exploration expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Depreciation Allowance	0	0	0	0	55,924	26,124	0	103,265	74,664	54,690	40,757	31,053	24,311	19,643	16,428	14,231	12,747	8,923	6,246	489,006
= Profit before proc all	0	0	0	0	23,681	23,681	18,781	0	11,503	67,180	118,209	95,740	68,958	38,711	118,126	84,747	49,178	133,866	98,790	951,152
- Processing Allowance	0	0	0	0	15,392	15,392	12,208	0	7,477	15,392	15,392	15,392	15,392	15,392	15,392	15,392	15,392	15,392	15,392	204,393
= Taxable Income for Mining Tax	0	0	0	0	8,288	8,288	6,573	0	4,026	51,787	102,817	80,348	53,566	23,319	102,734	69,355	33,786	118,474	83,398	746,758
Mining tax	0	0	0	0	1,243	1,243	986	0	604	7,768	15,423	12,052	8,035	3,498	15,410	10,403	5,068	17,771	12,510	112,014
Provincial Mining Tax	0	0	0	0	6,155	5,651	5,123	5,879	6,663	7,768	15,423	12,052	8,035	6,621	15,410	10,403	7,026	17,771	12,510	142,488
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	383,391
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense	1,082	3,793	7,101	8,966	7,319	6,380	6,537	5,510	3,207	0	0	0	0	0	0	0	0	0	0	49,895
- Fed. Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	4,084	15,160	10,599	5,569	17,051	12,382	64,845
- Provincial Income Tax	0	0	0	0	7,369	4,081	566	4,375	8,480	3,136	660	673	686	3,968	12,842	9,208	5,198	13,641	9,905	84,786
- Provincial Capital Tax	149	330	465	465	381	221	135	74	0	0	0	0	0	0	0	0	0	0	0	2,221
- Provincial Mining Tax	0	0	0	0	6,155	5,651	5,123	5,879	6,663	7,768	15,423	12,052	8,035	6,621	15,410	10,403	7,026	17,771	12,510	142,488
= Net Cash Flow from Operations, After Tax	-102,731	-152,533	-153,743	46,249	22,079	-3,690	24,180	54,184	95,937	130,479	101,768	72,363	31,620	78,089	55,837	31,334	89,948	66,179	487,549	

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June 12, 2008

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 10%IRR (NWT), After Tax Newfoundland & Labrador																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365	
- Normal CCA	0	0	0	0	0	0	0	12,773	69,967	44,797	13,573	7,360	7,459	7,573	7,697	7,831	6,788	5,787	191,605	
- Accelerated CCA	0	0	0	0	0	0	0	0	38,022	87,554	18,883	0	0	0	0	0	0	0	144,459	
= Resource Profits	0	0	0	76,527	46,979	16,219	48,877	70,062	10,143	22,456	90,448	82,303	47,584	122,854	87,455	50,582	131,622	95,188	999,301	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Mining Royalty Deduction	0	0	0	564	633	602	681	655	2,369	16,959	12,322	6,128	1,484	15,814	10,199	4,300	17,501	11,843	102,054	
- CEE	0	0	0	0	0	0	0	0	0	72,519	40,180	0	0	0	0	0	0	0	112,699	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	8,924	7,284	6,174	6,153	4,946	2,384	0	0	0	0	0	0	0	0	0	35,866	
= Net Profit	0	0	0	67,039	39,062	9,443	42,044	64,460	5,390	5,497	5,607	35,994	46,101	107,040	77,256	46,282	114,121	83,345	748,682	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	67,039	39,062	9,443	42,044	64,460	5,390	5,497	5,607	35,994	46,101	107,040	77,256	46,282	114,121	83,345	748,682	
Basic Federal Income Tax	0	0	0	18,771	10,351	2,455	10,511	15,148	1,186	1,209	1,234	7,919	10,142	23,549	16,996	10,182	25,107	18,336	173,096	
Federal Income Surtax	0	0	0	751	0	0	0	0	0	0	0	0	0	0	0	0	0	0	751	
- Resource Income Tax Reduction	0	0	0	4,693	2,734	661	2,943	4,512	377	385	393	2,520	3,227	7,493	5,408	3,240	7,988	5,834	52,408	
- Atlantic ITC	0	0	0	14,829	7,617	1,794	6,367	793	808	825	841	858	875	893	910	929	0	0	38,339	
- Exploration Expense ITC	0	0	0	0	0	0	1,201	9,843	0	0	0	0	0	0	0	0	0	0	11,044	
Federal Income Tax	0	0	0	0	0	0	0	0	-	4,541	6,040	15,163	10,678	6,014	17,118	12,502	72,056			
Provincial Income Tax (\$000)																				
Taxable Income (from Federal Calc'n)	0	0	0	67,039	39,062	9,443	42,044	64,460	5,390	5,497	5,607	35,994	46,101	107,040	77,256	46,282	114,121	83,345	748,682	
Provincial Income Tax	0	0	0	9,385	5,469	1,322	5,886	9,024	755	770	785	5,039	6,454	14,986	10,816	6,479	15,977	11,668	104,815	
Provincial Mining Tax (\$000)																				
Net Operating Revenue	0	0	0	79,604	49,805	18,781	51,817	86,166	121,869	158,966	126,793	93,269	58,354	134,554	98,978	61,926	142,789	105,036	1,388,709	
- Exploration Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Depreciation Allowance	0	0	0	54,610	24,211	0	24,532	58,246	77,035	21,894	18,503	16,001	14,167	12,835	11,880	11,209	9,567	7,176	361,865	
- Preproduction Allowance	0	0	0	5,462	5,462	0	5,917	5,917	5,917	5,917	5,917	5,917	5,917	5,917	5,917	5,917	5,917	5,917	5,917	
- Provincial royalties, rental and charges	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Profit before proc all	0	0	0	19,532	20,132	18,781	21,367	22,003	38,917	131,155	102,373	71,351	38,270	115,801	81,181	44,800	127,305	91,943	944,910	
- Processing Allowance	0	0	0	12,696	13,086	12,208	13,889	14,302	14,724	15,154	15,593	16,041	16,497	16,963	17,438	17,922	17,922	17,922	232,356	
= Net Income	0	0	0	6,836	7,046	6,573	7,478	7,701	24,193	116,001	86,780	55,311	21,773	98,839	63,743	26,877	109,382	74,021	712,554	
- 3rd party royalty, not to the province, or	0	0	0	3,078	2,825	2,562	2,939	3,331	3,738	4,159	3,889	3,606	0	0	0	0	0	0	30,127	
- 20% of net income for mining tax	0	0	0	1,367	1,409	1,315	1,496	1,540	4,839	23,200	17,356	11,062	4,355	19,768	12,749	5,375	21,876	14,804	142,511	
= Taxable Income for Pt (a) Mining Tax	0	0	0	3,759	4,221	4,012	4,539	4,370	19,354	92,800	69,424	44,248	17,418	79,071	50,994	21,502	87,506	59,217	562,435	
Pt (a) base mining tax	0	0	0	564	633	602	681	655	2,903	13,920	10,414	6,637	2,613	11,861	7,649	3,225	13,126	8,883	84,365	
- Prov. corp income tax (for credit)	0	0	0	0	0	0	0	0	755	770	785	5,039	6,454	0	0	0	0	0	0	
- Prov. Income tax credit (max \$2000)	0	0	0	0	0	0	0	0	755	770	785	2,000	2,000	0	0	0	0	0	6,309	
Pt (a) mining tax	0	0	0	564	633	602	681	655	2,149	13,150	9,629	4,637	613	11,861	7,649	3,225	13,126	8,883	78,056	
Net income base for Pt (b) mining tax	0	0	0	1,367	1,409	1,315	1,496	1,540	4,839	23,200	17,356	11,062	4,355	19,768	12,749	5,375	21,876	14,804	142,511	
- 3rd party royalty, not to the province	0	0	0	3,078	2,825	2,562	2,939	3,331	3,738	4,159	3,889	3,606	0	0	0	0	0	0	30,127	
= Taxable income for mineral rights tax	0	0	0	0	0	0	0	0	1,101	19,041	13,467	7,456	4,355	19,768	12,749	5,375	21,876	14,804	119,992	
Pt (b) mining tax	0	0	0	0	0	0	0	0	220	3,808	2,693	1,491	871	3,954	2,550	1,075	4,375	2,961	23,998	
Provincial Mining Tax	0	0	0	564	633	602	681	655	2,369	16,959	12,322	6,128	1,484	15,814	10,199	4,300	17,501	11,843	102,054	
(Royalty Holder) Mineral Rights Tax (\$000)																				
Royalty income	0	0	0	3,078	2,825	2,562	2,939	3,331	3,738	4,159	3,889	3,606	0	0	0	0	0	0	30,127	
- Legal expenses, at 20% of income	0	0	0	616	565	512	588	666	748	832	778	721	0	0	0	0	0	0	6,025	
- Exploration expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable income for mineral rights tax	0	0	0	2,462	2,260	2,049	2,352	2,665	2,990	3,327	3,111	2,885	0	0	0	0	0	0	24,101	
Provincial Mineral Rights Tax	0	0	0	492	452	410	470	533	598	665	622	577	0	0	0	0	0	0	4,820	

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MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 10%IRR (NWT), After Tax																				
Newfoundland & Labrador																				
Cash Flow from Operations (\$000)																				Total
Net operating revenue		0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	383,391
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense	1,078	3,780	7,070	8,924	7,284	6,174	6,153	4,946	2,384	0	0	0	4,541	6,040	15,163	10,678	6,014	17,118	12,502	47,794
- Fed. Income Tax	0	0	0	0	0	0	0	0	-											72,056
- Provincial Income Tax	0	0	0	9,385	5,469	1,322	5,886	9,024	755	770	785	5,039	6,454	14,986	10,816	6,479	15,977	11,668		104,815
- Provincial Capital Tax																				0
- Provincial Mining Tax	0	0	0	564	633	602	681	655	2,369	16,959	12,322	6,128	1,484	15,814	10,199	4,300	17,501	11,843		102,054
= Net Cash Flow from Operations, After Tax		-102,578	-152,190	-153,246	50,331	26,124	503	28,387	60,283	104,540	128,833	101,386	65,375	32,315	75,538	54,355	32,333	87,814	64,962	505,065

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June 12, 2008

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 10%IRR (NWT), After Tax Yukon																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365	
- Normal CCA	0	0	0	15,535	39,695	10,305	43,077	52,451	35,240	9,506	7,074	7,429	7,738	8,013	8,264	8,497	7,533	5,650	266,006	
- Accelerated CCA	0	0	0	0	0	0	0	24,398	75,860	8,551	0	0	0	0	0	0	0	0	108,809	
= Resource Profits	0	0	0	60,992	7,284	5,915	5,801	5,986	7,031	136,750	115,830	82,234	47,306	122,414	86,888	49,916	130,877	95,326	960,550	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Territorial Mining Royalty Deduction	0	0	0	2,141	0	0	0	1,686	5,661	11,663	11,094	7,063	3,081	12,661	8,462	3,995	13,848	9,470	90,827	
- CEE	0	0	0	0	0	0	0	0	0	112,699	0	0	0	0	0	0	0	0	112,699	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	8,924	7,284	5,915	5,801	4,300	1,371	0	0	0	0	0	0	0	0	0	33,595	
= Net Profit	0	0	0	49,927	0	0	0	0	0	-	12,388	104,736	75,171	44,224	109,752	78,426	45,921	117,028	85,855	723,429
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	49,927	0	0	0	0	0	0	12,388	104,736	75,171	44,224	109,752	78,426	45,921	117,028	85,855	723,429
Basic Federal Income Tax	0	0	0	13,980	0	0	0	0	0	0	2,725	23,042	16,538	9,729	24,146	17,254	10,103	25,746	18,888	162,150
Federal Income Surtax	0	0	0	559	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	559
- Resource Income Tax Reduction	0	0	0	3,495	0	0	0	0	0	0	867	7,332	5,262	3,096	7,683	5,490	3,214	8,192	6,010	50,640
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense ITC	0	0	0	11,044	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11,044
Federal Income Tax	0	0	0	0	0	0	0	0	0	0	1,858	15,710	11,276	6,634	16,463	11,764	6,888	17,554	12,878	101,025
Territorial Income Tax (\$000)																				
Taxable Income (from Federal Calc'n)	0	0	0	49,927	0	0	0	0	0	0	12,388	104,736	75,171	44,224	109,752	78,426	45,921	117,028	85,855	723,429
Territorial Income Tax	0	0	0	7,489	0	0	0	0	0	0	1,858	15,710	11,276	6,634	16,463	11,764	6,888	17,554	12,878	108,514
Quartz Mining Act Royalty (\$000)																				
Gross value of metal sales	0	0	0	307,764	282,528	256,158	293,942	333,134	373,776	415,911	388,877	360,595	331,026	412,679	382,666	351,287	437,938	406,088	5,334,370	
- Post-site product transport costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Smelter & refinery charges	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Net revenue for royalty	0	0	0	307,764	282,528	256,158	293,942	333,134	373,776	415,911	388,877	360,595	331,026	412,679	382,666	351,287	437,938	406,088	5,334,370	
- Operating costs	0	0	0	228,160	232,723	237,377	242,125	246,967	251,907	256,945	262,084	267,325	272,672	278,125	283,688	289,362	295,149	301,052	0	
- Current exploration costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Current mine development costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Pre-production Development Allowance	0	0	0	8,013	8,013	8,013	8,013	8,013	8,013	8,013	8,013	8,013	8,013	8,013	8,013	8,013	8,013	8,013	8,013	120,189
- Depreciation Allowance	0	0	0	42,483	41,792	10,768	43,804	53,637	54,850	41,926	14,492	14,560	12,829	9,194	8,611	8,783	7,538	6,268	371,535	
- Community Ec Development Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Net Income for Royalty	0	0	0	29,109	0	0	0	24,517	59,007	109,028	104,288	70,696	37,512	117,347	82,354	45,130	127,239	90,756	896,984	
Territorial Mining Royalty	0	0	0	2,141	0	0	0	1,686	5,661	11,663	11,094	7,063	3,081	12,661	8,462	3,995	13,848	9,470	90,827	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255	
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934	
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	383,391	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	1,078	3,780	7,070	8,924	7,284	5,915	5,801	4,300	1,371	0	0	0	0	0	0	0	0	0	45,523	
- Fed. Income Tax	0	0	0	0	0	0	0	0	0	1,858	15,710	11,276	6,634	16,463	11,764	6,888	17,554	12,878	101,025	
- Territorial Income Tax	0	0	0	7,489	0	0	0	0	0	1,858	15,710	11,276	6,634	16,463	11,764	6,888	17,554	12,878	108,514	
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Territorial Mining Tax	0	0	0	2,141	0	0	0	1,686	5,661	11,663	11,094	7,063	3,081	12,661	8,462	3,995	13,848	9,470	90,827	
= Net Cash Flow from Operations, After Tax	-102,578	-152,190	-153,246	50,651	32,226	2,686	35,306	68,923	103,016	131,181	71,978	51,470	29,944	75,914	54,057	31,355	89,453	65,749	485,895	

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June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 10%IRR (NWT), After Tax																				
Western Australia																				
Australia Federal Corporate Income Tax + Western Australia Base Metal Royalty																				
Federal Income Tax (\$000)																				
Net Operating Revenue		0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365
- Depreciation		20,700	47,844	62,206	45,741	34,259	26,267	20,718	16,880	14,242	12,443	11,233	13,916	11,850	16,021	11,871	17,200	0	0	383,391
- Exploration Expenses		0	0	0	38,255	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Allowable Capital expenditures		0	0	0	8,193	7,374	6,637	5,973	5,376	4,838	4,838	4,838	4,838	4,838	4,838	4,838	4,838	4,838	4,838	81,934
- Interest					20,852	7,284	6,515	6,971	6,145	3,930	214	0	0	0	0	0	0	0	0	51,912
- Investment Allowance					28,322	747	762	777	793	808	825	841	858	875	893	910	929	0	0	38,339
- State Mining Royalty		0	0	0	15,388	14,126	12,808	14,697	16,657	18,689	20,796	19,444	18,030	16,551	20,634	19,133	17,564	21,897	20,304	266,719
- R&D																				0
= Net Profit		-20,700	-47,844	-62,206	-80,224	-16,812	-36,769	-259	36,985	75,625	115,691	86,548	52,021	20,929	88,042	58,399	17,881	111,675	75,833	474,815
- Losses Carried Forward		0	0	0	0	0	0	0	36,985	75,625	115,691	36,513	0	0	0	0	0	0	0	264,814
= Taxable Income		0	0	0	0	0	0	0	0	0	0	50,035	52,021	20,929	88,042	58,399	17,881	111,675	75,833	474,815
Federal Income Tax		0	0	0	0	0	0	0	0	0	0	15,010	15,606	6,279	26,412	17,520	5,364	33,503	22,750	142,445
State Royalty (\$000)																				
Net Sales (sales - post-site charges)		0	0	0	307,764	282,528	256,158	293,942	333,134	373,776	415,911	388,877	360,595	331,026	412,679	382,666	351,287	437,938	406,088	5,334,370
Royalty		0	0	0	15,388	14,126	12,808	14,697	16,657	18,689	20,796	19,444	18,030	16,551	20,634	19,133	17,564	21,897	20,304	266,719
Cash Flow from Operations (\$000)																				
Net operating revenue		0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365
- Property Acquisition		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense		0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Development Expense		0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
- Capital Plant & Infrastructure		0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	383,391
- Working Capital (withdrawal is -ve)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Contribution to		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest on		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Withdrawal from		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense		1,078	3,780	7,070	8,924	7,284	6,515	6,971	6,145	3,930	214	0	0	0	0	0	0	0	0	51,912
- Fed. Income Tax		0	0	0	0	0	0	0	0	0	0	15,010	15,606	6,279	26,412	17,520	5,364	33,503	22,750	142,445
- Fed. Large Corp. Tax																				0
- Provincial Capital Tax																				0
- State Mining Royalty		0	0	0	15,388	14,126	12,808	14,697	16,657	18,689	20,796	19,444	18,030	16,551	20,634	19,133	17,564	21,897	20,304	266,719
= Net Cash Flow from Operations, After Tax		-102,578	-152,190	-153,246	44,893	18,100	-10,722	19,439	52,108	87,428	125,551	80,039	47,448	23,463	74,455	49,394	26,198	83,011	57,921	370,710

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June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 10%IRR (NWT), After Tax																				
South Australia																				
Australia Federal Corporate Income Tax + South Australia Base Metal Royalty																				
Federal Income Tax (\$000)																				
Net Operating Revenue		0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365
- Depreciation		20,700	47,844	62,206	45,741	34,259	26,267	20,718	16,880	14,242	12,443	11,233	13,916	11,850	16,021	11,871	17,200	0	0	383,391
- Exploration Expenses		0	0	0	38,255	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Allowable Capital expenditures		0	0	0	8,193	7,374	6,637	5,973	5,376	4,838	4,838	4,838	4,838	4,838	4,838	4,838	4,838	4,838	4,838	81,934
- Interest		0	0	0	20,852	7,284	6,095	6,152	4,853	2,372	0	0	0	0	0	0	0	0	0	47,608
- Investment Allowance		0	0	0	28,322	747	762	777	793	808	825	841	858	875	893	910	929	0	0	38,339
- State Mining Royalty		0	0	0	4,616	4,238	3,842	4,409	11,660	13,082	14,557	13,611	12,621	11,586	14,444	13,393	12,295	15,328	14,213	163,895
- R&D		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Net Profit		-20,700	-47,844	-62,206	-69,453	-6,923	-27,383	10,848	43,273	82,790	122,144	92,381	57,430	25,895	94,232	64,139	23,151	118,244	81,924	581,942
- Losses Carried Forward		0	0	0	0	0	0	10,848	43,273	82,790	97,598	0	0	0	0	0	0	0	0	234,509
= Taxable Income		0	0	0	0	0	0	0	0	0	24,547	92,381	57,430	25,895	94,232	64,139	23,151	118,244	81,924	581,942
Federal Income Tax		0	0	0	0	0	0	0	0	0	7,364	27,714	17,229	7,768	28,270	19,242	6,945	35,473	24,577	174,583
State Royalty (\$000)																				
Mine Revenue (sales - post-site charges)		0	0	0	307,764	282,528	256,158	293,942	333,134	373,776	415,911	388,877	360,595	331,026	412,679	382,666	351,287	437,938	406,088	5,334,370
- prescribed costs	<i>already deducted for revenue value</i>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Proceeds for royalty		0	0	0	307,764	282,528	256,158	293,942	333,134	373,776	415,911	388,877	360,595	331,026	412,679	382,666	351,287	437,938	406,088	5,334,370
Royalty		0	0	0	4,616	4,238	3,842	4,409	0	0	0	0	0	0	0	0	0	0	0	17,106
at reduced rate for 1st 5 yr		0	0	0	0	0	0	0	11,660	13,082	14,557	13,611	12,621	11,586	14,444	13,393	12,295	15,328	14,213	146,789
on remainder		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Royalty		0	0	0	4,616	4,238	3,842	4,409	11,660	13,082	14,557	13,611	12,621	11,586	14,444	13,393	12,295	15,328	14,213	163,895
Cash Flow from Operations (\$000)																				
Net operating revenue		0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365
- Property Acquisition		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense		0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Development Expense		0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
- Capital Plant & Infrastructure		0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	383,391
- Working Capital (withdrawal is -ve)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Contribution to		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest on		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Withdrawal from		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense		1,078	3,780	7,070	8,924	7,284	6,095	6,152	4,853	2,372	0	0	0	0	0	0	0	0	0	47,608
- Fed. Income Tax		0	0	0	0	0	0	0	0	0	7,364	27,714	17,229	7,768	28,270	19,242	6,945	35,473	24,577	174,583
- Provincial Income Tax		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Provincial Capital Tax		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- State Mining Royalty		0	0	0	4,616	4,238	3,842	4,409	11,660	13,082	14,557	13,611	12,621	11,586	14,444	13,393	12,295	15,328	14,213	163,895
= Net Cash Flow from Operations, After Tax		-102,578	-152,190	-153,246	55,664	27,988	-1,336	30,546	58,396	94,593	124,640	73,168	51,234	26,939	78,788	53,412	29,886	87,609	62,185	445,699

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June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 10%IRR (NWT), After Tax Sweden																				
Federal Income Tax (\$000)																				
Net Operating Revenue		0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365
- Depreciation		20,700	47,844	62,206	45,741	34,259	26,267	20,718	16,880	14,242	12,443	11,233	13,916	11,850	16,021	11,871	17,200	0	0	383,391
- Exploration Expenses		0	0	0	38,255	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Allowable Capital expenditures		0	0	0	8,193	7,374	6,637	5,973	5,376	4,838	4,838	4,838	4,838	4,838	4,838	4,838	4,838	4,838	4,838	81,934
- Interest		0	0	0	20,852	7,284	5,939	5,847	4,374	1,404	0	0	0	0	0	0	0	0	0	45,701
- Investment Allowance		0	0	0	28,322	747	762	777	793	808	825	841	858	875	893	910	929	0	0	38,339
- State Mining Royalty		0	0	0	616	565	512	588	666	748	832	778	721	662	825	765	703	876	812	10,669
- R&D		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Net Profit		-20,700	-47,844	-62,206	-65,452	-3,250	-23,897	14,974	54,746	96,091	135,869	105,214	69,330	36,818	107,850	76,767	34,743	132,696	95,325	737,076
- Losses Carried Forward		0	0	0	0	0	0	14,974	54,746	96,091	57,537	0	0	0	0	0	0	0	0	223,349
= Taxable Income		0	0	0	0	0	0	0	0	0	78,332	105,214	69,330	36,818	107,850	76,767	34,743	132,696	95,325	737,076
Federal Income Tax		0	0	0	0	0	0	0	0	0	21,933	29,460	19,412	10,309	30,198	21,495	9,728	37,155	26,691	206,381
Royalty (\$000)																				
Mine Revenue (sales - post-site charges)		0	0	0	307,764	282,528	256,158	293,942	333,134	373,776	415,911	388,877	360,595	331,026	412,679	382,666	351,287	437,938	406,088	5,334,370
- prescribed costs					<i>already deducted for revenue value</i>															
Proceeds for royalty		0	0	0	307,764	282,528	256,158	293,942	333,134	373,776	415,911	388,877	360,595	331,026	412,679	382,666	351,287	437,938	406,088	5,334,370
Royalty		0	0	0	616	565	512	588	666	748	832	778	721	662	825	765	703	876	812	10,669
Cash Flow from Operations (\$000)																				
Net operating revenue		0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365
- Property Acquisition		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense		0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Development Expense		0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
- Capital Plant & Infrastructure		0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	383,391
- Working Capital (withdrawal is -ve)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Contribution to		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest on		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Withdrawal from		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense		1,078	3,780	7,070	8,924	7,284	5,939	5,847	4,374	1,404	0	0	0	0	0	0	0	0	0	45,701
- Fed. Income Tax		0	0	0	0	0	0	0	0	0	21,933	29,460	19,412	10,309	30,198	21,495	9,728	37,155	26,691	206,381
- Fed. Large Corp. Tax		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Provincial Capital Tax		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- State Mining Royalty		0	0	0	616	565	512	588	666	748	832	778	721	662	825	765	703	876	812	10,669
= Net Cash Flow from Operations, After Tax		-102,578	-152,190	-153,246	59,665	31,661	2,150	34,671	69,869	107,895	123,796	84,256	60,951	35,322	90,478	63,787	38,696	100,379	73,472	569,034
Opening Cash		0	0	-102,578	-254,768	-408,014	-348,349	-316,688	-314,538	-279,867	-209,998	-102,102	21,694	105,949	166,900	202,222	292,699	356,486	395,182	495,561

**Medium Scale Base Metal Mine, 10%IRR (NWT), After Tax
USA, Alaska
Royalty: Alaska Mining License Tax and Production Royalty**

Federal Income Tax (\$000)	initial	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Net Revenue	0	0	0	0	307,764	282,528	256,158	293,942	333,134	373,776	415,911	388,877	360,595	331,026	412,679	382,666	351,287	437,938	406,088	5,334,370
- Operating Costs	0	0	0	0	231,237	235,548	239,939	245,064	250,299	255,645	261,104	265,973	270,931	275,982	282,252	287,515	292,875	299,528	305,113	3,999,005
Gross Income	0	0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365
Net assets for depreciation	0																			0
New exploration/acquisition to be amortized	0	12,500	12,750	13,005	0															38,255
Net exploration expense pool	0	10,000	17,700	23,054	15,403	7,752	2,601	0	0	0	0	0	0	0	0	0	0	0	0	76,510
New development to be amortized	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
Net development expense pool	0	16,000	31,584	52,652	36,265	19,878	7,491	0	0	0	0	0	0	0	0	0	0	0	0	163,869
- Depreciation					2,093	5,721	8,397	10,394	11,910	13,454	15,031	15,985	16,304	16,630	16,963	17,302	17,648	15,294	10,961	194,087
- Current exploration expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Amortized exploration expense		2,500	5,050	7,651	7,651	7,651	5,151	2,601	0	0	0	0	0	0	0	0	0	0	0	38,255
- Current development expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Amortized development expense		4,000	8,896	16,387	16,387	16,387	12,387	7,491	0	0	0	0	0	0	0	0	0	0	0	81,934
- Interest Expense		0	0	0	8,271	6,751	5,390	5,256	3,788	1,010	0	0	0	0	0	0	0	0	0	30,465
- State Income Tax		0	0	0	194	0	0	0	0	6,847	9,695	7,332	4,650	1,532	7,787	4,646	1,312	8,518	5,730	58,243
- State Mining License Tax		0	0	0	0	0	0	704	3,477	5,621	7,726	5,619	3,357	1,159	5,777	3,369	1,229	6,142	4,005	48,188
- State Royalty		0	0	0	1,688	728	56	604	1,490	2,409	3,311	2,408	1,439	497	2,476	1,444	527	2,632	1,717	23,426
- Environmental Tax		0	0	0	6	0	0	0	0	34	115	89	63	25	100	64	23	108	74	702
- Reclamation Reserve Deduction		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Reclamation Reserve Income																				0
Depletable gross income					74,839	46,251	16,164	48,274	81,345	115,723	151,496	120,496	88,225	54,547	127,951	93,708	57,886	135,778	99,259	1,311,939
Net income before depletion					40,237	9,741	-15,161	21,828	62,170	88,756	118,928	91,471	63,850	35,202	97,323	68,327	37,673	105,715	78,489	904,549
Additions to depletable cost of property	0	81,500	123,930	108,722	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	421,646
Unit cost of additions to depletable property	0																			0
Depletable cost of property	0	81,500	205,430	314,152	321,474	328,943	336,561	344,332	352,258	360,342	368,588	376,999	385,578	394,329	403,255	412,360	421,646	421,646	421,646	290,237
Unreduced cost depletion					13,222	12,444	11,576	13,644	15,902	18,377	21,105	20,409	19,616	18,706	24,307	23,579	22,733	28,340	26,279	290,237
Net depletion pool					305,010	300,034	296,076	290,203	280,233	262,859	237,776	219,678	208,641	198,686	179,463	164,989	151,543	121,672	95,393	290,237
Cost depletion	0	0	0	0	13,222	12,444	11,576	13,644	15,902	18,377	21,105	20,409	19,616	18,706	24,307	23,579	22,733	28,340	26,279	290,237
% depletion					16,465	4,870	-7,580	10,620	17,896	25,459	33,329	26,509	19,409	12,000	28,149	20,616	12,735	29,871	21,837	272,185
- Depletion Allowance					16,465	12,444	11,576	13,644	17,896	25,459	33,329	26,509	19,616	18,706	28,149	23,579	22,733	29,871	26,279	326,254
= Taxable income before sp. dedns		-6,500	-13,946	-24,038	23,772	-2,703	-26,737	8,184	44,274	63,297	85,599	64,962	44,234	16,496	69,174	44,748	14,940	75,844	52,210	533,812
- Losses carried forward		0	0	0	23,772	0	0	8,184	41,968	0	0	0	0	0	0	0	0	0	0	73,924
- Losses carried back																				0
cumulative operating losses, prior years		6,500	20,446	44,484	20,712	23,415	50,152	41,968	0	0	0	0	0	0	0	0	0	0	0	0
cumulative operating losses, future years																				0
= Taxable Income		0	0	0	0	0	0	0	2,306	63,297	85,599	64,962	44,234	16,496	69,174	44,748	14,940	75,844	52,210	533,812
Regular Federal Income Tax		0	0	0	0	0	0	0	807	22,154	29,960	22,737	15,482	5,774	24,211	15,662	5,229	26,545	18,274	186,834
Alternative Minimum Tax Calculation																				
Regular taxable income	0	0	0	0	0	0	0	0	2,306	63,297	85,599	64,962	44,234	16,496	69,174	44,748	14,940	75,844	52,210	533,812
+ excess % depletion		0	0	0	3,242	0	0	0	1,994	7,082	12,224	6,100	0	0	3,843	0	0	1,531	0	36,016
depreciation claimed above		0	0	0	2,093	5,721	8,397	10,394	11,910	13,454	15,031	15,985	16,304	16,630	16,963	17,302	17,648	15,294	10,961	194,087
net assets for depreciation	0	103,500	270,270	413,845	364,121	269,682	202,430	154,602	120,602	85,723	49,863	32,033	32,674	33,328	33,994	34,674	35,367	23,897	15,676	2,276,282
150% decl bal depreciation					60,708	105,641	78,679	59,485	45,889	47,006	48,230	30,446	12,228	12,473	12,722	12,977	13,236	11,471	8,220	559,410
+ depreciation adjustment		0	0	0	-58,615	-99,920	-70,282	-49,091	-33,979	-33,551	-33,199	-14,461	4,076	4,158	4,241	4,326	4,412	3,824	2,740	-365,324
current expl/mine dev claimed above	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
net expl/mine dev for amortization	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
current expl/mine dev amortized	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ exploration/development adjustment																				0
AMTI before current earnings adjustment		0	0	0	-55,373	-99,920	-70,282	-49,091	-29,678	36,827	64,625	56,600	48,310	20,654	77,258	49,074	19,352	81,199	54,950	204,504
+ adj current earnings adjustment		0	0	0	60,776	73,459	32,701	43,937	59,190	31,036	31,367	17,857	4,075	0	6,043	3,897	0	9,035	6,589	379,962
AMTI before AMT/NOL adjustment		0	0	0	5,403	-26,461	-37,582	-5,153	29,512	67,863	95,991	74,458	52,385	20,654	83,300	52,971	19,352	90,233	61,540	584,467
- Losses carried forward		0	0	0	0	0	0	0	29,512	39,684	0	0	0	0	0	0	0	0	0	69,196
cumulative operating losses, prior years		0	0	0	0	26,461	64,043	69,196	39,684	0	0	0	0	0	0	0	0	0	0	0

**Medium Scale Base Metal Mine, 10%IRR (NWT), After Tax
USA, Alaska**

Royalty: Alaska Mining License Tax and Production Royalty

Alternative minimum taxable income	0	0	0	5,403	-26,461	-37,582	-5,153	0	28,179	95,991	74,458	52,385	20,654	83,300	52,971	19,352	90,233	61,540	515,270
Tentative alternative minimum tax	0	0	0	1,081	0	0	0	0	5,636	19,198	14,892	10,477	4,131	16,660	10,594	3,870	18,047	12,308	116,893
- AMT exemption amount	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Regular income tax	0	0	0	0	0	0	0	807	22,154	29,960	22,737	15,482	5,774	24,211	15,662	5,229	26,545	18,274	186,834
Alternative minimum tax	0	0	0	1,081	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,081
Environmental Tax																			
Alternative minimum taxable income	0	0	0	5,403	0	0	0	0	28,179	95,991	74,458	52,385	20,654	83,300	52,971	19,352	90,233	61,540	584,467
+ environmental tax deducted in calcs	0	0	0	6	0	0	0	0	34	115	89	63	25	100	64	23	108	74	702
- exemption	0	0	0	2	0	0	0	0	2	2	2	2	2	2	2	2	2	2	22
Environmental taxable income	0	0	0	5,407	0	0	0	0	28,211	96,105	74,545	52,446	20,676	83,399	53,033	19,373	90,340	61,612	585,147
Environmental tax	0	0	0	6	0	0	0	0	34	115	89	63	25	100	64	23	108	74	702
Federal Income Tax	0	0	0	1,087	0	0	0	807	22,188	30,075	22,826	15,545	5,798	24,311	15,726	5,252	26,654	18,347	188,617

Alaska Income Tax (\$000)

Gross Income	0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365
- Depreciation	0	0	0	2,093	5,721	8,397	10,394	11,910	13,454	15,031	15,985	16,304	16,630	16,963	17,302	17,648	15,294	10,961	194,087
- Current exploration expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Amortized exploration expense	0	2,500	5,050	7,651	7,651	5,151	2,601	0	0	0	0	0	0	0	0	0	0	0	38,255
- Current development expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Amortized development expense	0	4,000	8,896	16,387	16,387	12,387	7,491	0	0	0	0	0	0	0	0	0	0	0	81,934
- Interest Expense	0	0	0	8,271	6,751	5,390	5,256	3,788	1,010	0	0	0	0	0	0	0	0	0	30,465
- State Income Tax	0	0	0	1,688	728	56	604	1,490	2,409	3,311	2,408	1,439	497	2,476	1,444	527	2,632	1,717	23,426
- Reclamation Reserve Deduction	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Reclamation Reserve Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Depletable gross income	0	0	0	74,839	46,251	16,164	48,274	81,345	115,723	151,496	120,496	88,225	54,547	127,951	93,708	57,886	135,778	99,259	1,311,939
Net income before depletion	0	0	0	40,438	9,741	-15,161	22,532	65,648	101,258	136,465	104,511	71,920	37,917	110,988	76,405	40,238	120,483	88,298	1,011,682
Additions to depletable cost of property	0	81,500	123,930	108,722	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	421,646
Unit cost of additions to depletable property	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Depletable cost of property	0	81,500	205,430	314,152	321,474	328,943	336,561	344,332	352,258	360,342	368,588	376,999	385,578	394,329	403,255	412,360	421,646	421,646	421,646
Unreduced cost depletion	0	0	0	11,005	12,947	15,055	17,349	19,853	19,119	18,298	17,373	22,449	21,624	20,691	26,984	26,279	26,805	27,341	303,171
Net depletion pool	0	0	0	305,010	299,532	292,095	282,516	270,590	253,215	228,132	210,034	196,164	183,291	164,068	146,188	129,195	99,324	71,984	0
Cost depletion	0	0	0	11,005	12,947	15,055	17,349	19,853	19,119	18,298	17,373	22,449	21,624	20,691	26,984	26,279	26,805	27,341	303,171
% depletion	0	0	0	16,465	4,870	-7,580	10,620	17,896	25,459	33,329	26,509	19,409	12,000	28,149	20,616	12,735	29,871	21,837	272,185
- Depletion Allowance	0	0	0	16,465	12,947	15,055	17,349	19,853	25,459	33,329	26,509	22,449	21,624	28,149	26,984	26,279	29,871	27,341	349,662
- Taxable income before sp. dedns	0	-6,500	-13,946	-24,038	23,973	-3,206	5,183	45,795	75,799	103,136	78,002	49,471	16,293	82,839	49,421	13,959	90,612	60,958	617,535
- Losses carried forward	0	0	0	23,973	0	0	5,183	45,795	2,955	0	0	0	0	0	0	0	0	0	77,906
- Losses carried back	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
cumulative operating losses, prior years	6,500	20,446	44,484	20,511	23,717	53,933	48,750	2,955	0	0	0	0	0	0	0	0	0	0	0
cumulative operating losses, future years	0	0	0	0	0	0	0	0	72,845	103,136	78,002	49,471	16,293	82,839	49,421	13,959	90,612	60,958	617,535
Alaska taxable income	0	0	0	0	0	0	0	0	72,845	103,136	78,002	49,471	16,293	82,839	49,421	13,959	90,612	60,958	617,535
Regular Alaska income tax	0	0	0	0	0	0	0	0	6,847	9,695	7,332	4,650	1,532	7,787	4,646	1,312	8,518	5,730	58,048
Alaska Alternative Minimum Tax																			0
Regular Alaska taxable income	0	0	0	0	0	0	0	0	72,845	103,136	78,002	49,471	16,293	82,839	49,421	13,959	90,612	60,958	617,535
+ excess % depletion	0	0	0	3,242	0	0	0	1,994	7,082	12,224	6,100	0	3,843	0	0	1,531	0	0	36,016
+ depreciation adjustment	0	0	0	-58,615	-99,920	-70,282	-49,091	-33,979	-33,551	-33,199	-14,461	4,076	4,158	4,241	4,326	4,412	3,824	2,740	-365,324
+ exploration/development adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
AMTI before current earnings adjustment	0	0	0	-55,373	-99,920	-70,282	-49,091	-31,985	46,375	82,161	69,641	53,547	20,450	90,922	53,747	18,371	95,967	63,698	288,228
+ adj current earnings adjustment	0	0	0	60,776	73,082	30,092	41,158	59,452	23,875	18,214	8,077	0	0	0	0	0	0	0	314,726
AMTI before AMT/NOL adjustment	0	0	0	5,403	-26,838	-40,191	-7,933	27,468	70,250	100,376	77,718	53,547	20,450	90,922	53,747	18,371	95,967	63,698	602,954
- AMT/NOL Losses carried forward	0	0	0	0	0	0	0	27,468	47,494	0	0	0	0	0	0	0	0	0	74,962
cumulative operating losses, prior years	0	0	0	0	26,838	67,029	74,962	47,494	0	0	0	0	0	0	0	0	0	0	0
Alternative minimum taxable income	0	0	0	5,403	-26,838	-40,191	-7,933	0	22,756	100,376	77,718	53,547	20,450	90,922	53,747	18,371	95,967	63,698	527,993
Tentative alternative minimum tax	0	0	0	194	0	0	0	0	819	3,614	2,798	1,928	736	3,273	1,935	661	3,455	2,293	21,706
- AMT exemption amount	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Regular income tax	0	0	0	0	0	0	0	0	6,847	9,695	7,332	4,650	1,532	7,787	4,646	1,312	8,518	5,730	58,048
Alternative minimum tax	0	0	0	194	0	0	0	0	0	0	0	0	0	0	0	0	0	0	194
Alaska Income Tax	0	0	0	194	0	0	0	0	6,847	9,695	7,332	4,650	1,532	7,787	4,646	1,312	8,518	5,730	58,243

**Medium Scale Base Metal Mine, 10%IRR (NWT), After Tax
USA, Alaska
Royalty: Alaska Mining License Tax and Production Royalty**

Alaska Mining License Tax and Production Royalty (\$000)	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total		
Alaska Mining License Tax																				
Gross Income	0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365	
- Treatment process deduction																			0	
= Net Income	0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365	
Exploration/development expenses	0	32,500	37,230	50,459	0	0	0	0	0	0	0	0	0	0	0	0	0	0	120,189	
Net exploration/development pool	0	32,500	69,730	120,189	115,251	110,717	106,607	101,890	96,544	90,546	83,872	77,632	71,845	66,534	59,911	53,771	48,134	41,106	34,590	1,381,369
Unit cost of new expl/dev	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Depreciation	0	0	0	2,093	5,721	8,397	10,394	11,910	13,454	15,031	15,985	16,304	16,630	16,963	17,302	17,648	15,294	10,961	194,087	
- Amortized exploration expense				4,939	4,534	4,111	4,717	5,346	5,998	6,674	6,240	5,786	5,312	6,622	6,141	5,637	7,028	6,516	85,599	
= Net income before depletion	0	0	0	69,496	36,725	3,712	33,767	65,580	98,680	133,102	100,679	67,573	33,101	106,842	71,709	35,128	116,088	83,499	1,055,679	
Depletable cost of property	0	81,500	205,430	314,152	321,474	328,943	336,561	344,332	352,258	360,342	368,588	376,999	385,578	394,329	403,255	412,360	421,646	421,646	6,251,039	
Net depletion pool	0	81,500	205,430	314,152	308,252	303,277	309,039	303,166	295,190	284,898	270,419	258,421	247,385	239,585	224,204	209,730	201,453	173,113	146,834	
Cost depletion	0	0	0	13,222	12,444	1,856	13,644	15,902	18,377	21,105	20,409	19,616	16,551	24,307	23,579	17,564	28,340	26,279	273,193	
% depletion				11,226	6,938	1,856	7,241	12,202	17,358	22,724	18,074	13,234	8,182	19,193	14,056	8,683	20,367	14,889	196,222	
- Interest Expense	0	0	0	13,222	12,444	1,856	13,644	15,902	18,377	22,724	20,409	19,616	16,551	24,307	23,579	17,564	28,340	26,279	274,812	
Mining license taxable income	0	0	0	56,273	24,281	1,856	20,123	49,678	80,303	110,378	80,270	47,957	16,551	82,535	48,130	17,564	87,748	57,220	780,867	
Alaska mining license tax	0	0	0	0	0	704	3,477	5,621	7,726	5,619	3,357	1,159	5,777	3,369	1,229	6,142	4,005	48,188		
Production Royalty																				
Net income for production royalty	0	0	0	56,273	24,281	1,856	20,123	49,678	80,303	110,378	80,270	47,957	16,551	82,535	48,130	17,564	87,748	57,220	780,867	
Alaska Production Royalty	0	0	0	1,688	728	56	604	1,490	2,409	3,311	2,408	1,439	497	2,476	1,444	527	2,632	1,717	23,426	
Alaska Mining License Tax and Royalty	0	0	0	1,688	728	56	1,308	4,968	8,030	11,038	8,027	4,796	1,655	8,254	4,813	1,756	8,775	5,722	71,614	
Cash Flow from Operations (\$000)																			Total	
Net operating revenue	0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255	
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934	
- Capital Plant & Infrastructure	0	55,000	96,900	83,232	7,322	7,469	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	342,626	
- Infrastructure	0	14,000	14,280	12,485	0	0	0	0	0	0	0	0	0	0	0	0	0	0	40,765	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	0	930	3,324	6,444	8,271	6,751	5,390	5,256	3,788	1,010	0	0	0	0	0	0	0	0	41,163	
- Fed. Income Tax	0	0	0	1,087	0	0	0	807	22,188	30,075	22,826	15,545	5,798	24,311	15,726	5,252	26,654	18,347	188,617	
- Provincial Income Tax	0	0	0	194	0	0	0	0	6,847	9,695	7,332	4,650	1,532	7,787	4,646	1,312	8,518	5,730	58,243	
- Provincial Capital Tax																				
- Provincial Mining Tax	0	0	0	1,688	728	56	1,308	4,968	8,030	11,038	8,027	4,796	1,655	8,254	4,813	1,756	8,775	5,722	71,614	
= Net Cash Flow	0	-102,430	-151,734	-152,620	57,964	32,031	3,156	34,543	65,346	71,971	95,753	76,308	56,093	37,308	81,150	60,863	40,806	94,464	472,149	

Medium Scale Base Metal Mine, 10%IRR (NWT), After Tax
USA, Nevada

Federal Income Tax (\$000)	initial	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Net Revenue	0	0	0	0	307,764	282,528	256,158	293,942	333,134	373,776	415,911	388,877	360,595	331,026	412,679	382,666	351,287	437,938	406,088	5,334,370
- Operating Costs	0	0	0	0	231,237	235,548	239,939	245,064	250,299	255,645	261,104	265,973	270,931	275,982	282,252	287,515	292,875	299,528	305,113	3,999,005
Gross Income	0	0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365
Net assets for depreciation	0																			0
New exploration/acquisition to be amortized	0	12,500	12,750	13,005	0															38,255
Net exploration expense pool	0	10,000	17,700	23,054	15,403	7,752	2,601	0	0	0	0	0	0	0	0	0	0	0	0	76,510
New development to be amortized	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
Net development expense pool	0	16,000	31,584	52,652	36,265	19,878	7,491	0	0	0	0	0	0	0	0	0	0	0	0	163,869
- Depreciation					2,093	5,721	8,397	10,394	11,910	13,454	15,031	15,985	16,304	16,630	16,963	17,302	17,648	15,294	10,961	194,087
- Current exploration expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Amortized exploration expense		2,500	5,050	7,651	7,651	7,651	5,151	2,601												38,255
- Current development expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Amortized development expense		4,000	8,896	16,387	16,387	16,387	12,387	7,491	0	0	0	0	0	0	0	0	0	0	0	81,934
- Interest Expense		0	0	0	8,271	6,751	5,421	5,286	3,834	1,026	0	0	0	0	0	0	0	0	0	30,589
- State Income Tax		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- State Mining License Tax		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- State Royalty		0	0	0	0	1,473	0	1,640	3,368	5,160	7,019	5,446	3,803	2,090	5,875	4,125	2,300	6,342	4,509	53,149
- Environmental Tax		0	0	0	6	0	0	0	0	38	120	93	65	26	105	65	24	112	76	732
- Reclamation Reserve Deduction	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Reclamation Reserve Income																				0
Depletable gross income					76,527	45,506	16,219	47,238	79,467	112,971	147,788	117,458	85,860	52,954	124,552	91,027	56,113	132,068	96,466	1,282,216
Net income before depletion					42,119	8,996	-15,137	21,466	63,724	98,453	132,637	101,381	69,491	36,297	107,484	73,659	38,441	116,662	85,430	981,103
Additions to depletable cost of property	0	81,500	123,930	108,722	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	421,646
Unit cost of additions to depletable property	0																			0
Depletable cost of property	0	81,500	205,430	314,152	321,474	328,943	336,561	344,332	352,258	360,342	368,588	376,999	385,578	394,329	403,255	412,360	421,646	421,646	421,646	421,646
Unreduced cost depletion					13,222	12,444	11,576	13,644	15,902	18,377	21,105	20,409	19,616	18,706	24,307	23,579	22,733	28,340	26,279	290,237
Net depletion pool					304,638	299,663	295,705	289,832	280,275	263,506	239,239	221,809	210,772	200,817	182,342	167,868	154,421	125,366	99,087	
Cost depletion	0	0	0	0	13,222	12,444	11,576	13,644	15,902	18,377	21,105	20,409	19,616	18,706	24,307	23,579	22,733	28,340	26,279	290,237
% depletion					16,836	4,498	-7,568	10,392	17,483	24,854	32,513	25,841	18,889	11,650	27,402	20,026	12,345	29,055	21,223	265,438
- Depletion Allowance					16,836	12,444	11,576	13,644	17,483	24,854	32,513	25,841	19,616	18,706	27,402	23,579	22,733	29,055	26,279	322,559
= Taxable income before sp. dedns		-6,500	-13,946	-24,038	25,284	-3,448	-26,713	7,822	46,241	73,599	100,124	75,540	49,875	17,591	80,083	50,081	15,708	87,607	59,151	614,060
- Losses carried forward		0	0	0	25,284	0	0	7,822	41,539	0	0	0	0	0	0	0	0	0	0	74,645
- Losses carried back																				0
cumulative operating losses, prior years		6,500	20,446	44,484	19,200	22,648	49,361	41,539	0	0	0	0	0	0	0	0	0	0	0	0
cumulative operating losses, future years																				0
= Taxable Income		0	0	0	0	0	0	0	4,702	73,599	100,124	75,540	49,875	17,591	80,083	50,081	15,708	87,607	59,151	614,060
Regular Federal Income Tax		0	0	0	0	0	0	0	1,646	25,760	35,043	26,439	17,456	6,157	28,029	17,528	5,498	30,662	20,703	214,921

**Medium Scale Base Metal Mine, 10%IRR (NWT), After Tax
USA, Nevada**

	2,005	2,006	2,007	2,008	2,009	2,010	2,011	2,012	2,013	2,014	2,015	2,016	2,017	2,018	2,019	2,020	2,021	Total	
Alternative Minimum Tax Calculation																			
Regular taxable income	0	0	0	0	0	0	0	4,702	73,599	100,124	75,540	49,875	17,591	80,083	50,081	15,708	87,607	59,151	614,060
+ excess % depletion	0	0	0	0	3,614	0	0	1,581	6,477	11,409	5,432	0	0	3,095	0	0	715	0	32,322
depreciation claimed above	0	0	0	0	2,093	5,721	8,397	10,394	11,910	13,454	15,031	15,985	16,304	16,630	16,963	17,302	17,648	15,294	10,961
net assets for depreciation	0	103,500	270,270	413,845	364,121	269,682	202,430	154,602	120,602	85,723	49,863	32,033	32,674	33,328	33,994	34,674	35,367	23,897	15,676
150% decl bal depreciation	0	0	0	0	60,708	105,641	78,679	59,485	45,889	47,006	48,230	30,446	12,228	12,473	12,722	12,977	13,236	11,471	8,220
+ depreciation adjustment	0	0	0	0	-58,615	-99,920	-70,282	-49,091	-33,979	-33,551	-33,199	-14,461	4,076	4,158	4,241	4,326	4,412	3,824	2,740
current expl/mine dev claimed above	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
net expl/mine dev for amortization	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
current expl/mine dev amortized	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ exploration/development adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
AMTI before current earnings adjustment	0	0	0	0	-55,002	-99,920	-70,282	-49,091	-27,696	46,525	78,334	66,510	53,951	21,749	87,418	54,406	20,120	92,145	61,891
+ adj current earnings adjustment	0	0	0	0	60,219	73,459	32,677	43,914	57,979	24,205	21,697	10,926	0	0	0	0	0	1,437	1,384
AMTI before AMT/NOL adjustment	0	0	0	0	5,217	-26,461	-37,605	-5,176	30,283	70,730	100,030	77,437	53,951	21,749	87,418	54,406	20,120	93,582	63,275
- Losses carried forward	0	0	0	0	0	0	0	0	30,283	38,960	0	0	0	0	0	0	0	0	0
cumulative operating losses, prior years	0	0	0	0	0	26,461	64,067	69,243	38,960	0	0	0	0	0	0	0	0	0	0
Alternative minimum taxable income	0	0	0	0	5,217	-26,461	-37,605	-5,176	0	31,769	100,030	77,437	53,951	21,749	87,418	54,406	20,120	93,582	63,275
Tentative alternative minimum tax	0	0	0	0	1,043	0	0	0	0	6,354	20,006	15,487	10,790	4,360	17,484	10,881	4,024	18,716	12,655
- AMT exemption amount	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Regular income tax	0	0	0	0	0	0	0	0	1,646	25,760	35,043	26,439	17,456	6,157	28,029	17,528	5,498	30,662	20,703
Alternative minimum tax	0	0	0	1,043	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,043
Environmental Tax																			
Alternative minimum taxable income	0	0	0	5,217	0	0	0	0	31,769	100,030	77,437	53,951	21,749	87,418	54,406	20,120	93,582	63,275	608,955
+ environmental tax deducted in calcs	0	0	0	6	0	0	0	0	38	120	93	65	26	105	65	24	112	76	732
- exemption	0	0	0	2	0	0	0	0	2	2	2	2	2	2	2	2	2	2	22
Environmental taxable income	0	0	0	5,221	0	0	0	0	31,806	100,149	77,528	54,014	21,773	87,521	54,470	20,142	93,692	63,349	609,665
Environmental tax	0	0	0	6	0	0	0	0	38	120	93	65	26	105	65	24	112	76	732
Federal Income Tax	0	0	0	1,050	0	0	0	1,646	25,798	35,163	26,532	17,521	6,183	28,134	17,594	5,522	30,775	20,779	216,696
Nevada Royalty (\$000)																			
Nevada Proceeds of Minerals Tax		2,005	2,006	2,007	2,008	2,009	2,010	2,011	2,012	2,013	2,014	2,015	2,016	2,017	2,018	2,019	2,020	2,021	Total
Total Mine Revenue				307,764	282,528	256,158	293,942	333,134	373,776	415,911	388,877	360,595	331,026	412,679	382,666	351,287	437,938	406,088	5,334,370
- Cost of Extraction				228,160	232,723	237,377	242,125	246,967	251,907	256,945	262,084	267,325	272,672	278,125	283,688	289,362	295,149	301,052	3,945,661
- Production Royalties				3,078	2,825	2,562	2,939	3,331	3,738	4,159	3,889	3,606	3,310	4,127	3,827	3,513	4,379	4,061	53,344
- Exploration & Development Expenses				120,189	0	0	0	0	0	0	0	0	0	0	0	0	0	0	120,189
- Depreciation				18,349	17,516	16,764	16,085	15,474	14,924	14,430	13,989	13,595	13,244	12,934	12,660	12,421	11,575	10,794	214,753
Taxable proceeds				0	29,464	0	32,792	67,362	103,208	140,377	108,915	76,069	41,800	117,493	82,491	45,992	126,835	90,182	1,062,978
Nevada Proceeds of Minerals Tax	0	0	0	0	1,473	0	1,640	3,368	5,160	7,019	5,446	3,803	2,090	5,875	4,125	2,300	6,342	4,509	53,149

**Medium Scale Base Metal Mine, 10%IRR (NWT), After Tax
USA, Nevada**

Cash Flow from Operations (\$000)																	Total			
Net operating revenue	0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
- Capital Plant & Infrastructure	0	55,000	96,900	83,232	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	342,626
- Infrastructure	0	14,000	14,280	12,485	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	40,765
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense	930	3,324	6,444	8,271	6,751	5,421	5,286	3,834	1,026	0	0	0	0	0	0	0	0	0	0	41,287
- Fed. Income Tax	0	0	0	1,050	0	0	0	1,646	25,798	35,163	26,532	17,521	6,183	28,134	17,594	5,522	30,775	20,779	216,696	
- Provincial Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Capital Tax																				
- Provincial Mining Tax	0	0	0	0	1,473	0	1,640	3,368	5,160	7,019	5,446	3,803	2,090	5,875	4,125	2,300	6,342	4,509	53,149	
= Net Cash Flow	0	-102,430	-151,734	-152,620	59,884	31,286	3,180	34,181	66,062	78,063	104,379	82,515	59,760	38,020	87,492	64,329	41,305	101,294	75,688	520,653

Appendix 5c - BaseMetal10.xls

June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 10%IRR (NWT), After Tax																				
South Africa Corporate Income Tax + Unrefined Base Metal Royalty																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365	
- Capital Redemption Deduction	0	0	0	165,689	2,598	2,650	2,703	2,757	2,812	2,868	2,926	2,984	3,044	3,105	3,167	3,230	0	0	0	200,532
- Exploration Expenses	0	0	0	38,255	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Allowable Capital expenditures	0	0	0	19,946	18,439	17,092	15,889	14,817	13,863	14,460	15,146	15,945	16,897	18,061	19,545	21,564	21,564	21,564	21,564	264,794
- Interest	0	0	0	8,924	7,284	6,395	6,737	5,776	3,404	0	0	0	0	0	0	0	0	0	0	38,520
- Mining Royalty	0	0	0	12,311	11,301	10,246	11,758	13,325	14,951	16,636	15,555	14,424	13,241	16,507	15,307	14,051	17,518	16,244	16,244	213,375
- R&D	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Net Profit	0	0	0	-168,598	7,357	-20,164	11,791	46,160	83,102	120,842	89,277	56,310	21,862	92,754	57,133	19,567	99,328	63,168	63,168	579,890
- Losses Carried Forward	0	0	0	0	7,357	0	11,791	46,160	83,102	40,353	0	0	0	0	0	0	0	0	0	188,762
= Taxable Income	0	0	0	0	0	0	0	0	0	80,489	89,277	56,310	21,862	92,754	57,133	19,567	99,328	63,168	63,168	579,890
Federal Income Tax	0	0	0	0	0	0	0	0	0	23,342	25,890	16,330	6,340	26,899	16,569	5,675	28,805	18,319	18,319	168,168
Royalty (\$000)																				
Net Sales (sales - post-site charges)	0	0	0	307,764	282,528	256,158	293,942	333,134	373,776	415,911	388,877	360,595	331,026	412,679	382,666	351,287	437,938	406,088	406,088	5,334,370
State Mining Royalty	0	0	0	12,311	11,301	10,246	11,758	13,325	14,951	16,636	15,555	14,424	13,241	16,507	15,307	14,051	17,518	16,244	16,244	213,375
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	383,391
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense	1,078	3,780	7,070	8,924	7,284	6,395	6,737	5,776	3,404	0	0	0	0	0	0	0	0	0	0	50,448
- Fed. Income Tax	0	0	0	0	0	0	0	0	0	23,342	25,890	16,330	6,340	26,899	16,569	5,675	28,805	18,319	18,319	168,168
- Provincial Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- State Mining Royalty	0	0	0	12,311	11,301	10,246	11,758	13,325	14,951	16,636	15,555	14,424	13,241	16,507	15,307	14,051	17,518	16,244	16,244	213,375
= Net Cash Flow from Operations, After Tax	-102,578	-152,190	-153,246	47,970	20,925	-8,040	22,612	55,808	91,692	106,583	73,048	50,330	26,712	78,095	54,172	29,400	92,087	66,413	66,413	399,794

Appendix 5c - BaseMetal10.xls

June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 10%IRR (NWT), After Tax																				
Namibia Corporate Income Tax + Base Metal Royalty																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365	
- Capital Redemption Deduction	0	0	0	165,689	2,598	2,650	2,703	2,757	2,812	2,868	2,926	2,984	3,044	3,105	3,167	3,230	0	0	0	200,532
- Exploration Expenses	0	0	0	38,255	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Allowable Capital expenditures	0	0	0	19,946	18,439	17,092	15,889	14,817	13,863	14,460	15,146	15,945	16,897	18,061	19,545	21,564	21,564	21,564	21,564	264,794
- Interest	0	0	0	8,924	7,284	6,275	6,503	5,407	2,878	0	0	0	0	0	0	0	0	0	0	37,271
- Mining Royalty	0	0	0	9,233	8,476	7,685	8,818	9,994	11,213	12,477	11,666	10,818	9,931	12,380	11,480	10,539	13,138	12,183	12,183	160,031
- R&D	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Net Profit	0	0	0	-165,521	10,182	-17,482	14,964	49,860	87,366	125,001	93,166	59,916	25,173	96,881	60,960	23,080	103,708	67,229	634,483	
- Losses Carried Forward	0	0	0	0	10,182	0	14,964	49,860	87,366	20,630	0	0	0	0	0	0	0	0	0	183,003
= Taxable Income	0	0	0	0	0	0	0	0	0	104,371	93,166	59,916	25,173	96,881	60,960	23,080	103,708	67,229	634,483	
Corporate Income Tax	0	0	0	0	0	0	0	0	0	39,139	34,937	22,469	9,440	36,330	22,860	8,655	38,890	25,211	237,931	
Non-resident tax on dividends	0	0	0	0	0	0	0	0	0	1,583	1,397	799	174	1,445	799	117	1,550	895	8,758	
Total Corporate Tax	0	0	0	0	0	0	0	0	0	40,722	36,334	23,267	9,614	37,775	23,658	8,772	40,441	26,106	246,689	
Royalty (\$000)																				
Net Sales (sales - post-site charges)	0	0	0	307,764	282,528	256,158	293,942	333,134	373,776	415,911	388,877	360,595	331,026	412,679	382,666	351,287	437,938	406,088	5,334,370	
State Royalty	0	0	0	9,233	8,476	7,685	8,818	9,994	11,213	12,477	11,666	10,818	9,931	12,380	11,480	10,539	13,138	12,183	160,031	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	383,391
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	1,078	3,780	7,070	8,924	7,284	6,275	6,503	5,407	2,878	0	0	0	0	0	0	0	0	0	0	49,199
- Fed. Income Tax	0	0	0	0	0	0	0	0	0	40,722	36,334	23,267	9,614	37,775	23,658	8,772	40,441	26,106	246,689	
- Provincial Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- State Mining Royalty	0	0	0	9,233	8,476	7,685	8,818	9,994	11,213	12,477	11,666	10,818	9,931	12,380	11,480	10,539	13,138	12,183	160,031	
= Net Cash Flow from Operations, After Tax	-102,578	-152,190	-153,246	51,048	23,750	-5,359	25,786	59,508	95,956	93,362	66,493	46,999	26,748	71,345	50,909	29,816	84,831	62,687	375,865	

MineTax by AnalysisWorks

	initial	2,004	2,005	2,006	2,007	2,008	2,009	2,010	2,011	2,012	2,013	2,014	2,015	2,016	2,017	2,018	2,019	2,020	2,021	
Medium Scale Base Metal Mine, 10%IRR (NWT), After Tax Chile																				
Federal Income Tax (\$000)	initial	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Net Operating Revenue	0	0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365
- Depreciation					45,544	47,807	50,144	21,622	22,572	23,550	24,619	25,797	27,112	28,606	10,356	11,454	13,096	11,642	10,124	374,044
- Organization & Setup Deduction					39,015	0	0	0	0	0	0	0	0	0	0	0	0	0	0	39,015
- Development Costs Deduction					15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	0	0	0	0	0	0	0	136,625
- Interest incl. Foreign Debt Charge		0	0	0	21,949	8,004	6,693	6,886	5,877	1,476	0	0	0	0	0	0	0	0	0	50,884
- R&D																				0
= Net Income	0	0	0	0	-45,899	-25,068	-57,179	3,477	37,156	75,530	112,262	78,822	62,551	26,438	120,071	83,698	45,317	126,768	90,851	734,797
- Prior Years' Losses	0	0	0	0	0	0	0	3,477	37,156	75,530	11,982	0	0	0	0	0	0	0	0	128,146
cumulative operating losses	0	0	0	0	45,899	70,967	128,146	124,669	87,513	11,982	0	0	0	0	0	0	0	0	0	469,175
= Taxable Income	0	0	0	0	0	0	0	0	0	100,280	78,822	62,551	26,438	120,071	83,698	45,317	126,768	90,851	734,797	
First Category Tax	0	0	0	0	0	0	0	0	0	17,048	13,400	10,634	4,494	20,412	14,229	7,704	21,551	15,445	124,916	
Taxable Income For Additional Tax	0	0	0	0	0	0	0	0	0	100,280	78,822	62,551	26,438	120,071	83,698	45,317	126,768	90,851	734,797	
Additional Tax	0	0	0	0	0	0	0	0	0	42,117	33,105	26,271	11,104	50,430	35,153	19,033	53,243	38,158	308,615	
First Category Tax Credit	0	0	0	0	0	0	0	0	0	17,048	13,400	10,634	4,494	20,412	14,229	7,704	21,551	15,445	124,916	
Net Additional Tax	0	0	0	0	0	0	0	0	0	25,070	19,706	15,638	6,610	30,018	20,924	11,329	31,692	22,713	183,699	
Total Income Tax	0	0	0	0	0	0	0	0	0	42,117	33,105	26,271	11,104	50,430	35,153	19,033	53,243	38,158	308,615	
Mining Activities Tax (\$000)																				
Revenue from Mineral Sales	0	0	0	0	307,764	282,528	256,158	293,942	333,134	373,776	415,911	388,877	360,595	331,026	412,679	382,666	351,287	437,938	406,088	5,334,370
- Operating Costs	0	0	0	0	231,237	235,548	239,939	245,064	250,299	255,645	261,104	265,973	270,931	275,982	282,252	287,515	292,875	299,528	305,113	3,999,005
- Depreciation					45,544	47,807	50,144	21,622	22,572	23,550	24,619	25,797	27,112	28,606	10,356	11,454	13,096	11,642	10,124	374,044
- Organization & Setup Deduction					39,015	0	0	0	0	0	0	0	0	0	0	0	0	0	0	39,015
- Development Costs Deduction					15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	0	0	0	0	0	0	0	136,625
= Net Income	0	0	0	0	-23,950	-17,065	-50,486	10,363	43,033	77,006	112,262	78,822	62,551	26,438	120,071	83,698	45,317	126,768	90,851	785,682
- Prior Years' Losses	0	0	0	0	0	0	0	10,363	43,033	38,104	0	0	0	0	0	0	0	0	0	91,500
cumulative operating losses	0	0	0	0	23,950	41,014	91,500	81,137	38,104	0	0	0	0	0	0	0	0	0	0	275,705
= Taxable Income	0	0	0	0	0	0	0	0	0	38,902	112,262	78,822	62,551	26,438	120,071	83,698	45,317	126,768	90,851	785,682
Net Mining Activities Tax	0	0	0	0	0	0	0	0	0	1,945	5,613	3,941	3,128	1,322	6,004	4,185	2,266	6,338	4,543	39,284
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	383,391
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense	1,078	3,780	7,070	8,924	7,284	5,945	5,864	4,410	1,476	0	0	0	0	0	0	0	0	0	0	45,832
- Foreign Debt Charge to Central Bank	661	356	80	0	719	748	1,021	1,467	0	0	0	0	0	0	0	0	0	0	0	0
- Fed. Income Tax	0	0	0	0	0	0	0	0	0	42,117	33,105	26,271	11,104	50,430	35,153	19,033	53,243	38,158	308,615	
- Provincial Income Tax																				0
- Provincial Capital Tax																				
- Provincial Mining Tax	0	0	0	0	0	0	0	0	0	1,945	5,613	3,941	3,128	1,322	6,004	4,185	2,266	6,338	4,543	39,284
= Net Cash Flow	0	-103,239	-152,545	-153,327	60,281	31,507	1,908	34,221	69,032	106,626	98,830	77,447	51,685	33,867	65,068	46,709	27,827	78,829	58,275	433,001

Appendix 5c - BaseMetal10.xls

June 12, 2008

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 10%IRR (NWT), After Tax																				
Peru																				
Corporate Income Tax + Mining Royalty																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365	
- Exploration Expenses	0	0	0	38,255	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Allowable Capital expenditures	0	0	0	36,515	33,611	31,011	28,687	26,611	24,759	25,675	26,726	27,952	29,410	31,195	33,472	36,567	36,567	36,567	36,567	465,326
- Interest	0	0	0	8,924	7,284	6,275	6,503	5,407	2,981	0	0	0	0	0	0	0	0	0	0	37,374
- Mining Royalty	0	0	0	0	9,233	8,476	7,685	8,818	9,994	11,213	12,477	11,666	10,818	9,931	12,380	11,480	10,539	13,138	147,848	
- R&D	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Net Profit	0	0	0	-7,167	-3,149	-29,543	6,002	41,999	80,398	117,919	83,701	50,045	14,816	89,301	49,300	10,366	91,304	51,270	646,562	
- Losses Carried Forward	0	0	0	0	0	0	6,002	33,856	0	0	0	0	0	0	0	0	0	0	0	39,859
= Taxable Income	0	0	0	0	0	0	0	8,142	80,398	117,919	83,701	50,045	14,816	89,301	49,300	10,366	91,304	51,270	646,562	
Federal Income Tax	0	0	0	0	0	0	0	2,436	24,055	35,281	25,043	14,974	4,433	26,719	14,750	3,101	27,318	15,340	193,451	
Royalty (\$000)																				
Net Sales (sales - post-site charges)	0	0	0	307,764	282,528	256,158	293,942	333,134	373,776	415,911	388,877	360,595	331,026	412,679	382,666	351,287	437,938	406,088	5,334,370	
State Mining Royalty	0	0	0	9,233	8,476	7,685	8,818	9,994	11,213	12,477	11,666	10,818	9,931	12,380	11,480	10,539	13,138	12,183	160,031	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	383,391
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense	1,078	3,780	7,070	8,924	7,284	6,275	6,503	5,407	2,981	0	0	0	0	0	0	0	0	0	0	49,302
- Fed. Income Tax	0	0	0	0	0	0	0	2,436	24,055	35,281	25,043	14,974	4,433	26,719	14,750	3,101	27,318	15,340	193,451	
- Provincial Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- State Mining Royalty	0	0	0	9,233	8,476	7,685	8,818	9,994	11,213	12,477	11,666	10,818	9,931	12,380	11,480	10,539	13,138	12,183	160,031	
= Net Cash Flow from Operations, After Tax	-102,578	-152,190	-153,246	51,048	23,750	-5,359	25,786	57,072	71,798	98,802	77,784	55,293	31,929	82,402	59,817	35,486	97,954	73,453	429,000	

Appendix 5c - BaseMetal10.xls

June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Medium Scale Base Metal Mine, 10%IRR (NWT), After Tax																				
Mexico																				
Mexico Federal Corporate Income Tax, No Royalty																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365	
- Depreciation	0	0	0	99,127	101,741	90,246	7,627	7,779	7,935	8,093	8,255	8,420	8,589	8,761	8,936	9,115	5,982	2,786	383,391	
- Exploration Expenses	0	0	0	24,038	24,038	24,038	24,038	24,038	0	0	0	0	0	0	0	0	0	0	0	
- Interest	0	0	0	20,852	7,284	5,915	5,801	4,300	1,299	0	0	0	0	0	0	0	0	0	0	45,451
- Investment Allowance	0	0	0	28,322	747	762	777	793	808	825	841	858	875	893	910	929	0	0	0	38,339
= Net Profit	0	0	0	-95,812	-86,831	-104,741	10,635	45,925	108,089	145,889	113,808	80,385	45,580	120,774	85,305	48,370	132,429	98,190	747,994	
- Losses Carried Forward	0	0	0	0	0	0	10,635	45,925	108,089	122,734	0	0	0	0	0	0	0	0	0	287,383
= Net Profit	0	0	0	0	0	0	0	0	0	23,155	113,808	80,385	45,580	120,774	85,305	48,370	132,429	98,190	747,994	
- Obligatory profit sharing	0	0	0	0	0	0	0	0	0	2,316	11,381	8,039	4,558	12,077	8,531	4,837	13,243	9,819	74,799	
= Taxable Income	0	0	0	0	0	0	0	0	0	20,840	102,427	72,347	41,022	108,696	76,775	43,533	119,186	88,371	673,195	
Federal Income Tax	0	0	0	0	0	0	0	0	0	5,835	28,680	20,257	11,486	30,435	21,497	12,189	33,372	24,744	188,495	
Tax on Assets																				
Capital asset base	102,578	254,768	408,014	408,014	416,001	457,788	489,305	519,875	501,153	501,153	501,153	501,153	501,153	501,153	501,153	501,153	501,153	501,153	501,153	8,067,869
Tax on assets	0	0	0	0	0	0	6,116	6,498	6,264	6,264	6,264	6,264	6,264	6,264	6,264	6,264	6,264	6,264	6,264	75,259
Total Federal Income and Asset Tax				0	0	0	6,116	6,498	6,264	6,264	28,680	20,257	11,486	30,435	21,497	12,189	33,372	24,744	207,803	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	76,527	46,979	16,219	48,877	82,835	118,132	154,807	122,904	89,663	55,044	130,427	95,152	58,413	138,410	100,976	1,335,365	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	12,500	12,750	13,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,255
- Development Expense	0	20,000	24,480	37,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81,934
- Capital Plant & Infrastructure	0	69,000	111,180	95,717	7,322	7,469	7,618	7,771	7,926	8,084	8,246	8,411	8,579	8,751	8,926	9,104	9,286	0	0	383,391
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense	1,078	3,780	7,070	8,924	7,284	5,915	5,801	4,300	1,299	0	0	0	0	0	0	0	0	0	0	45,451
- Fed. Income Tax	0	0	0	0	0	0	0	0	0	5,835	28,680	20,257	11,486	30,435	21,497	12,189	33,372	24,744	188,495	
- Provincial Income Tax																				0
- Provincial Capital Tax																				0
- State Mining Royalty																				0
= Net Cash Flow from Operations, After Tax	-102,578	-152,190	-153,246	60,281	32,226	2,686	35,306	70,609	108,748	140,726	85,814	60,827	34,807	91,066	64,550	36,937	105,038	76,232	597,839	

Appendix 6a – Analysis Results: Larger Scale Diamond Mine at 20% IRR

Mining Royalty and Tax Competitiveness Review

Summary Analysis Results: Larger Scale Diamond Mine, 20%IRR (NWT), After Tax

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Cash Flow, Taxes and Fiscal Analysis	
Northwest Territories	22
Nunavut	23
British Columbia	24
Alberta	25
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Nova Scotia	33
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Yukon	35
Western Australia	36
South Australia	37
Sweden	38
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Peru	48
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MineTax
Larger Scale Diamond Mine Mine Model
20%IRR (NWT), After Tax Profitability Model
 Current tax and royalty rates, including legislated future changes
Summary of Cash Flow and Tax

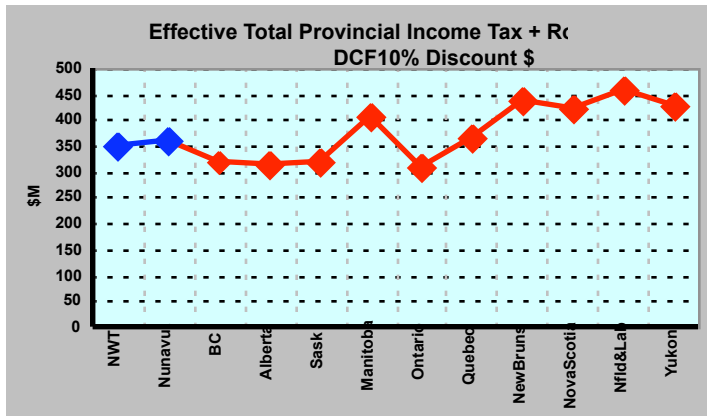
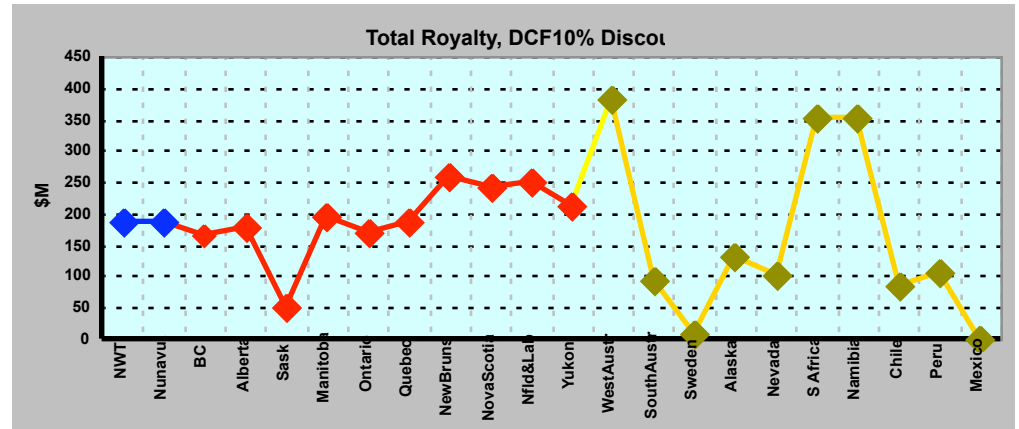
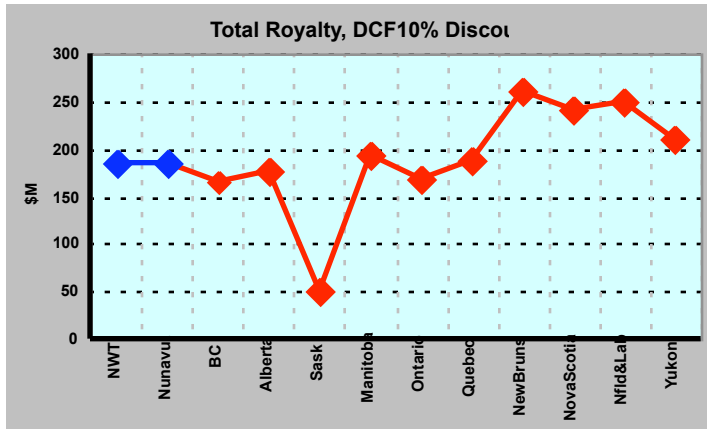
	CMR royalty		Canadian Comparisons									
	Northwest Territories	Nunavut	British Columbia	Alberta	Saskatchewan	Manitoba	Ontario	Quebec	New Brunswick	Nova Scotia	Newfoundland & Labrador	Yukon
Internal Rate of Return, IRR, at Debt:Total Initial Capital Investment = 50%												
Before Tax IRR, Total Invested Capital Basis	24.4%	24.4%	24.4%	24.4%	24.4%	24.4%	24.4%	24.4%	24.4%	24.4%	24.4%	24.4%
After Tax IRR, Total Invested Capital Basis	20.0%	19.9%	20.4%	20.4%	19.9%	19.4%	20.3%	19.8%	19.4%	19.4%	19.0%	19.0%
Effective Total Royalty + Tax Rate												
By impact on Internal Rate of Return	18.1%	18.4%	16.4%	16.4%	18.7%	20.6%	16.8%	18.8%	20.4%	20.6%	22.1%	22.3%
By NPV royalty / NPV net cash flow before royalties and taxes	14.7%	14.7%	13.1%	14.0%	3.9%	15.3%	13.3%	14.9%	20.6%	19.0%	19.8%	16.7%
By NPV royalty + taxes / NPV net cash flow before and taxes	42.3%	42.9%	40.1%	39.4%	41.5%	46.9%	39.2%	43.4%	46.3%	45.4%	47.8%	47.9%
Total Project Investment Summary: Nominal Dollars (Of-the-Year)												
Capital Investment												
Life-of-Mine Total	1,762,204,311											
Initial Development to Production	42											
Mine Revenue (Net Smelter Return)	43											
Federal Income Tax	44	610,724,931	616,734,468	616,991,059	668,363,647	609,139,130	618,793,466	612,271,388	515,668,542	530,916,712	530,929,654	609,719,426
Terr/Prov Income Tax	46	536,923,527	488,966,752	442,867,111	585,334,357	581,662,315	417,395,649	523,702,198	518,024,026	530,677,549	619,491,091	672,725,417
Terr/Prov Capital Tax	49	0	0	0	161,569,956	52,338,197	8,508,638	32,560,543	5,641,537	11,445,871	0	0
Mining Tax or Royalty	52	600,914,094	566,532,763	557,706,148	230,645,006	658,695,081	548,704,255	584,797,081	839,949,439	734,513,290	732,446,781	590,440,699
Net Cash Flow To Mine Project	53	3,200,966,976	3,277,295,544	3,331,965,209	3,303,616,562	3,047,694,804	3,356,127,520	3,195,476,942	3,069,679,156	3,141,419,160	3,066,662,001	3,076,643,985
Total Taxes	54	1,748,562,551	1,672,233,983	1,617,564,318	1,645,912,965	1,901,834,723	1,593,402,007	1,753,331,210	1,879,283,543	1,807,553,422	1,882,867,526	1,872,885,542
Total Project Investment Summary: discounted												
Capital Investment	56											
Life-of-Mine Total	1,214,265,284											
Initial Development to Production	1,006,927,122											
Mine Revenue (Net Smelter Return)	4,047,278,064											
Federal Income Tax	183,070,121	183,070,121	186,889,475	184,539,827	204,443,213	185,528,721	185,732,141	182,442,034	145,395,680	148,799,308	147,675,016	179,662,363
Terr/Prov Income Tax	166,309,360	173,540,202	154,786,116	137,228,640	192,517,485	191,291,308	136,808,894	161,756,508	174,832,432	177,722,853	206,512,313	214,851,212
Terr/Prov Capital Tax	0	0	0	0	78,308,352	22,736,428	4,674,571	16,208,309	4,150,271	7,322,394	0	0
Mining Tax or Royalty	185,563,512	185,563,512	165,501,120	176,388,470	49,819,685	193,685,162	168,545,804	188,416,058	260,280,805	240,111,169	250,315,825	210,639,759
Net Cash Flow To Mine Project	729,483,698	722,252,857	757,249,979	766,269,755	739,337,956	671,185,072	768,665,281	715,132,893	679,397,566	690,107,472	659,923,538	659,273,358
Total Taxes	534,942,993	542,173,834	507,176,712	498,156,936	525,088,735	593,241,619	495,761,410	548,822,908	584,659,189	573,955,724	604,503,153	605,153,333
Royalty as proportion of net profit before royalty and tax												
Nominal Dollars	12.1%	12.1%	11.4%	11.3%	4.7%	13.3%	11.1%	11.8%	17.0%	14.8%	14.8%	11.9%
Net Present Value	14.7%	14.7%	13.1%	14.0%	3.9%	15.3%	13.3%	14.9%	20.6%	19.0%	19.8%	16.7%
Total Tax + Royalty as proportion of net profit before royalty and tax												
Nominal Dollars	34.9%	35.3%	33.8%	32.7%	33.3%	38.4%	32.2%	35.4%	38.0%	36.5%	38.0%	37.8%
Net Present Value	42.3%	42.9%	40.1%	39.4%	41.5%	46.9%	39.2%	43.4%	46.3%	45.4%	47.8%	47.9%

Mine Tax
Larger Scale Diamond Mine
20%IRR (NWT), After Tax
 Current tax and royalty rates, including le
Summary of Cash Flow and Tax

International Comparisons										
	Western Australia	South Australia	Sweden	USA, Alaska	USA, Nevada	South Africa	Namibia	Chile	Peru	Mexico
Internal Rate of Return, IRR, at Debt:Total Initial Investment										
Before Tax IRR, Total Invested Capital Basis	24.4%	24.4%	24.4%	24.4%	24.4%	24.4%	24.4%	24.3%	24.4%	24.4%
After Tax IRR, Total Invested Capital Basis	17.2%	19.5%	20.4%	18.5%	19.4%	17.4%	12.9%	17.1%	18.2%	21.3%
Effective Total Royalty + Tax Rate										
By impact on Internal Rate of Return	29.6%	20.1%	16.2%	24.4%	20.5%	28.8%	47.0%	29.4%	25.3%	12.6%
By NPV royalty / NPV net cash flow before royalty taxes	30.1%	7.4%	0.6%	10.3%	7.9%	27.9%	27.9%	6.6%	8.4%	0.0%
By NPV royalty + taxes / NPV net cash flow before and taxes	59.5%	43.4%	36.0%	50.1%	42.6%	57.2%	85.8%	59.6%	48.8%	30.4%
Total Project Investment Summary: Nominal Dollars										
Capital Investment										
Life-of-Mine Total										
Initial Development to Production										
Mine Revenue (Net Smelter Return)										
Federal Income Tax	1,126,144,352	1,375,847,556	1,357,591,589	1,129,869,007	1,303,024,553	1,171,892,159	2,321,683,600	2,014,682,580	1,413,663,598	1,226,599,588
Terr/Prov Income Tax	0	0	0	357,846,412	0	0	0	0	0	0
Terr/Prov Capital Tax	0	0	0	0	0	0	0	0	0	0
Mining Tax or Royalty	1,113,644,144	281,300,129	18,917,262	390,646,836	284,943,254	945,863,076	945,863,076	246,574,551	283,758,923	0
Net Cash Flow To Mine Project	2,709,741,032	3,292,381,842	3,573,020,677	3,071,167,272	3,361,561,720	2,831,774,291	1,681,416,062	2,676,218,124	3,252,107,006	3,722,929,944
Total Taxes	2,239,788,496	1,657,147,685	1,376,508,850	1,878,362,255	1,587,967,807	2,117,755,236	3,267,546,676	2,261,257,130	1,697,422,521	1,226,599,588
Total Project Investment Summary: discounted										
Capital Investment										
Life-of-Mine Total										
Initial Development to Production										
Mine Revenue (Net Smelter Return)										
Federal Income Tax	370,631,350	454,982,182	448,626,566	383,133,916	438,741,171	370,399,440	732,445,575	665,794,120	510,748,505	384,417,347
Terr/Prov Income Tax	0	0	0	119,820,960	0	0	0	0	0	0
Terr/Prov Capital Tax	0	0	0	0	0	0	0	0	0	0
Mining Tax or Royalty	381,129,506	93,977,953	7,051,366	130,348,056	100,467,918	352,568,301	352,568,301	83,249,002	105,770,490	0
Net Cash Flow To Mine Project	512,665,835	715,466,556	808,748,759	631,123,759	725,217,602	541,458,951	179,172,441	507,714,385	647,907,696	880,009,345
Total Taxes	751,760,856	548,960,135	455,677,932	633,302,932	539,209,090	722,967,741	1,085,013,876	749,043,122	616,518,995	384,417,347
Royalty as proportion of net profit before royalties										
Nominal Dollars	22.5%	5.7%	0.4%	7.9%	5.8%	19.1%	19.1%	5.0%	5.7%	0.0%
Net Present Value	30.1%	7.4%	0.6%	10.3%	7.9%	27.9%	27.9%	6.6%	8.4%	0.0%
Total Tax + Royalty as proportion of net profit before royalties										
Nominal Dollars	45.3%	33.5%	27.8%	38.0%	32.1%	42.8%	66.0%	45.8%	34.3%	24.8%
Net Present Value	59.5%	43.4%	36.0%	50.1%	42.6%	57.2%	85.8%	59.6%	48.8%	30.4%

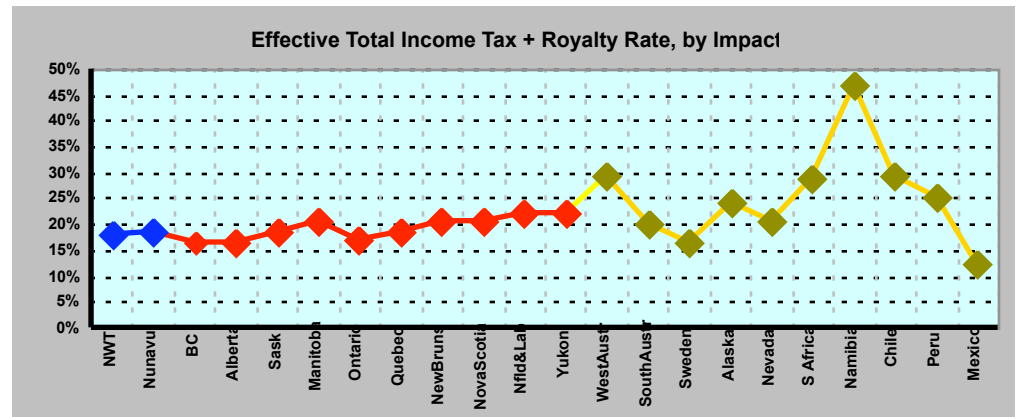
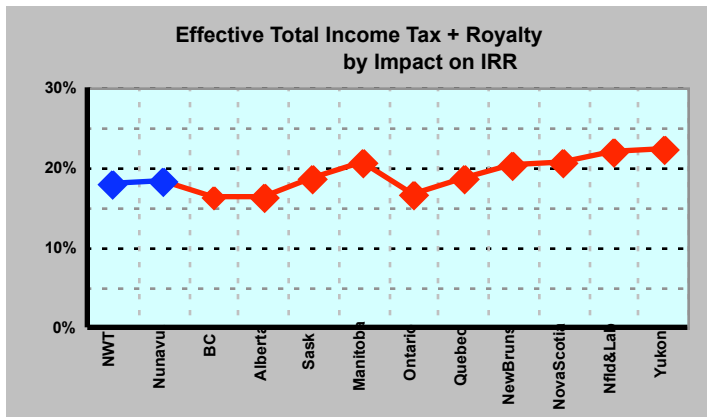
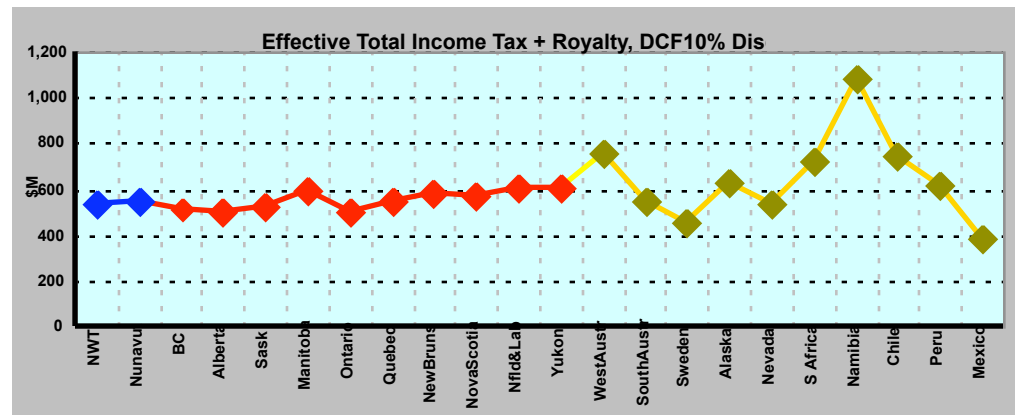
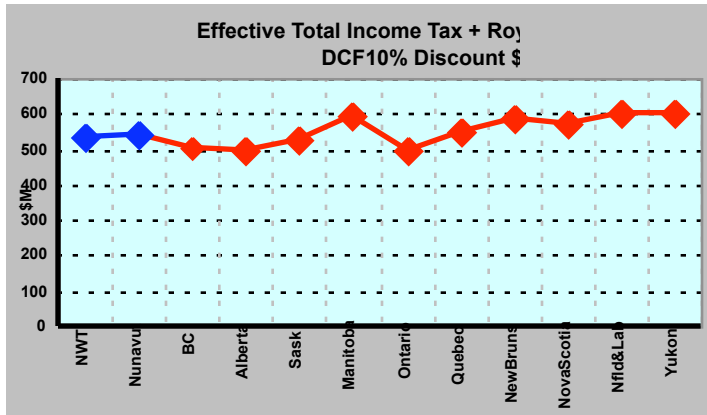
MineTax

Larger Scale Diamond Mine, 20%IRR (NWT), After Tax
Comparative Results Graphs



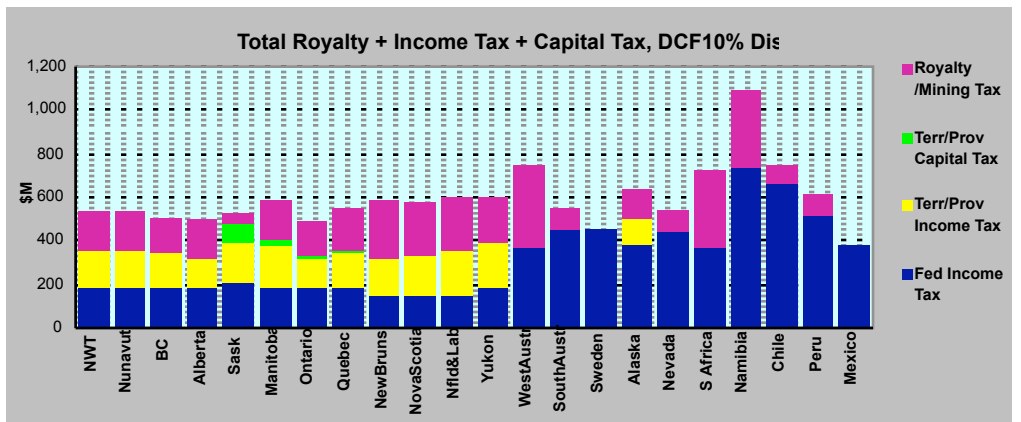
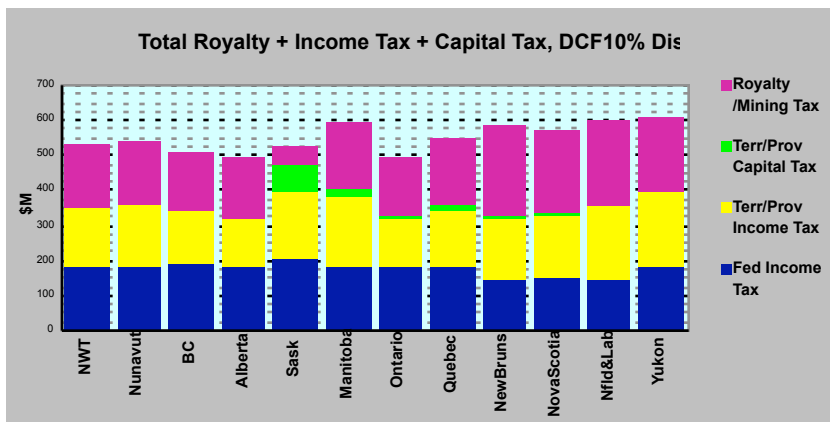
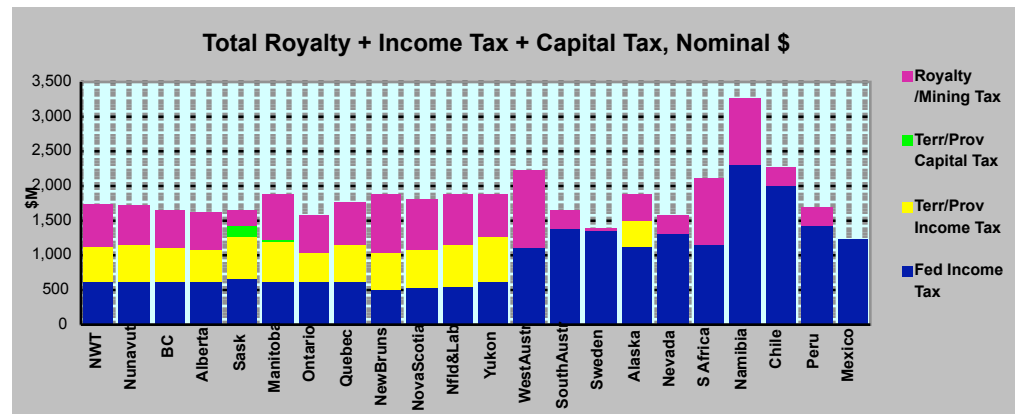
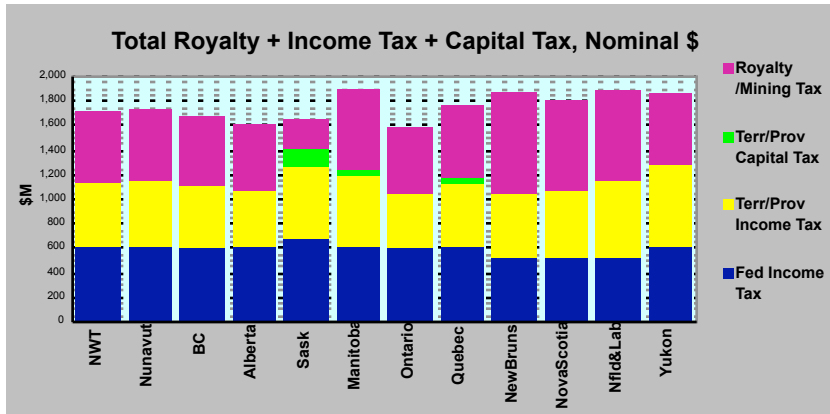
MineTax

Larger Scale Diamond Mine, 20%IRR (NWT), After Tax
Comparative Results Graphs



MineTax

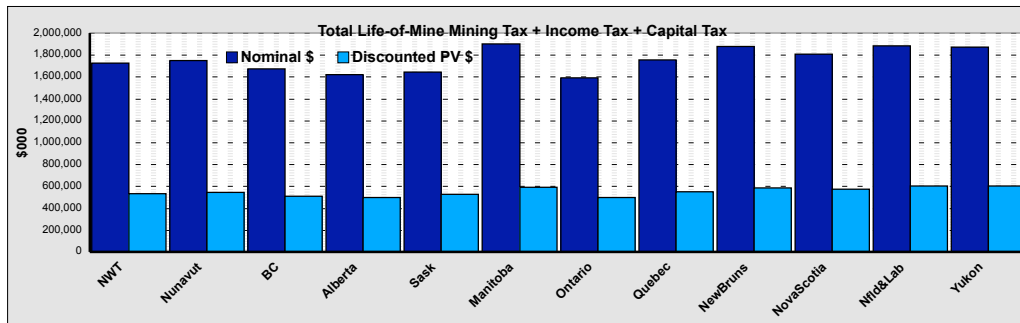
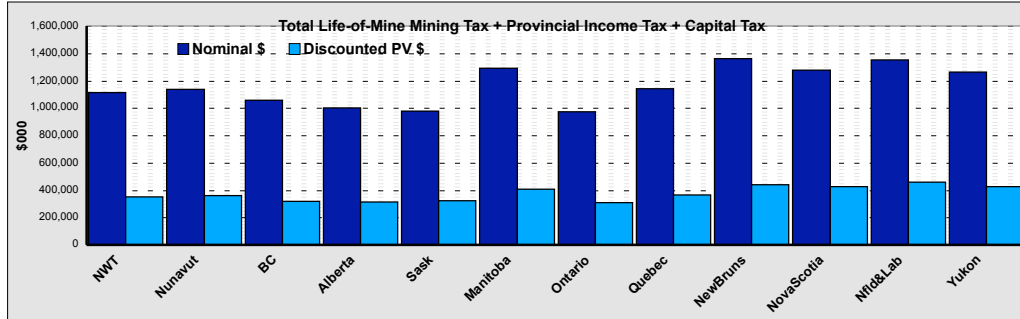
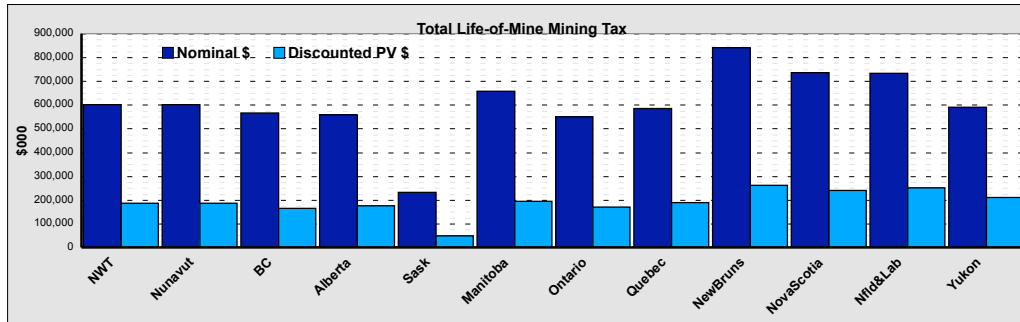
Larger Scale Diamond Mine, 20%IRR (NWT), After Tax
Comparative Results Graphs



MineTax

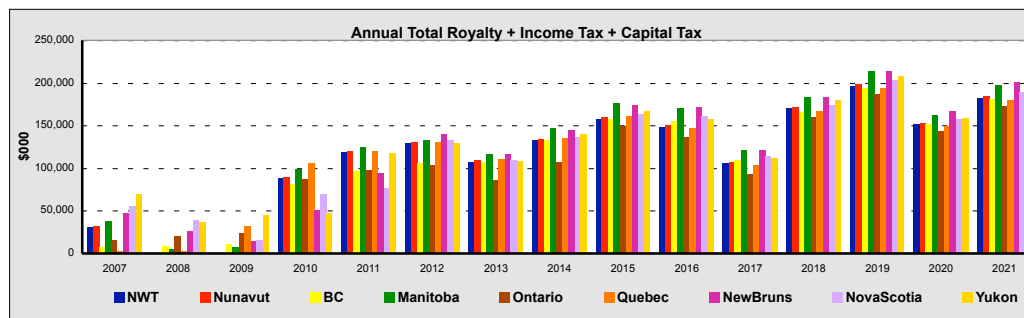
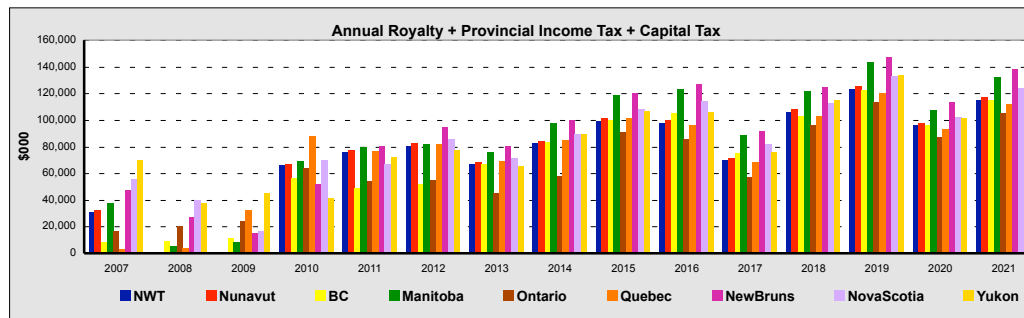
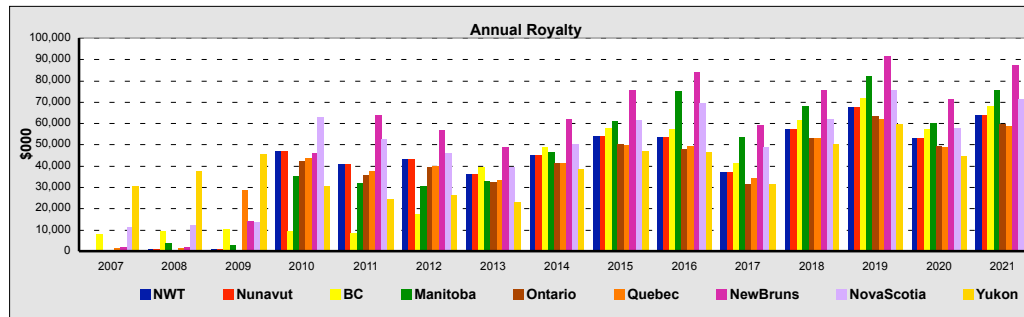
Larger Scale Diamond Mine, 20%IRR (NWT), After Tax

Additional Graphs: Comparative Results and Annual Results -- Canadian Comparisons



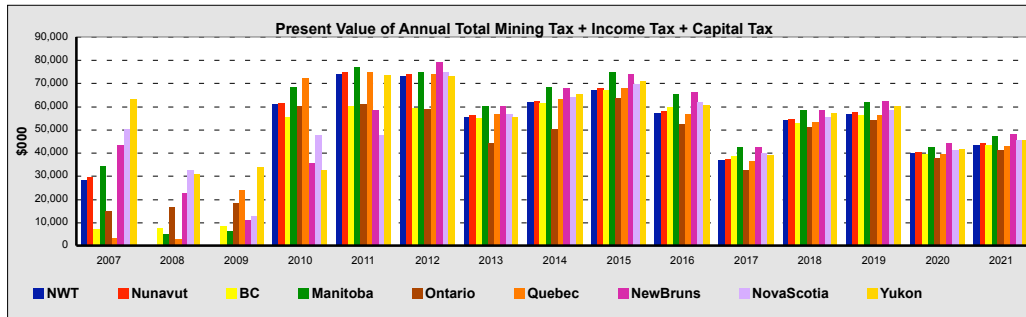
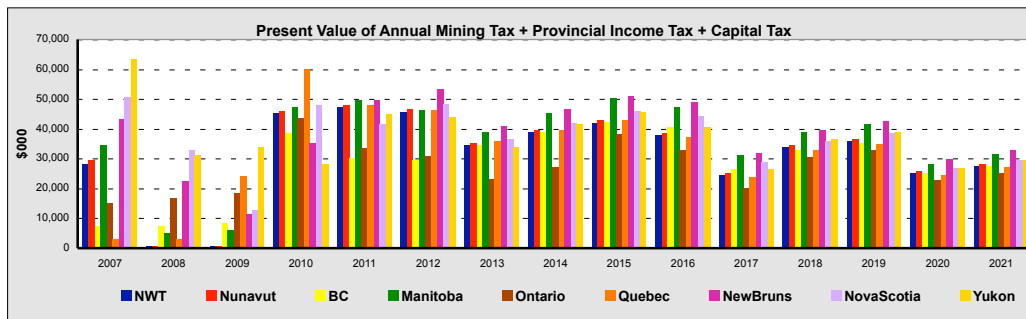
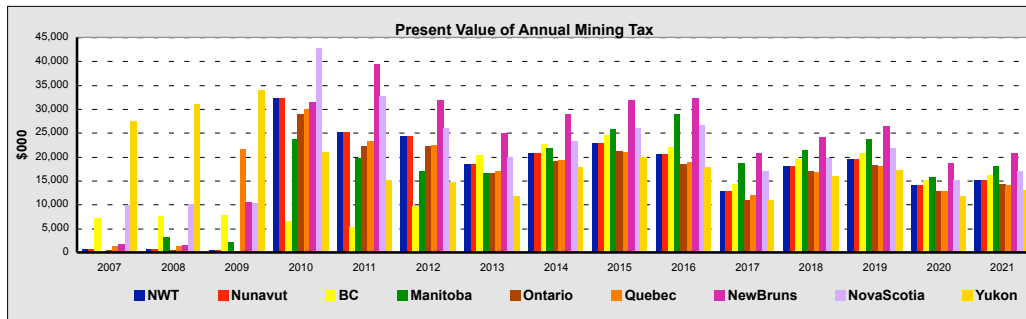
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Larger Scale Diamond Mine, 20%IRR (NWT), After Tax



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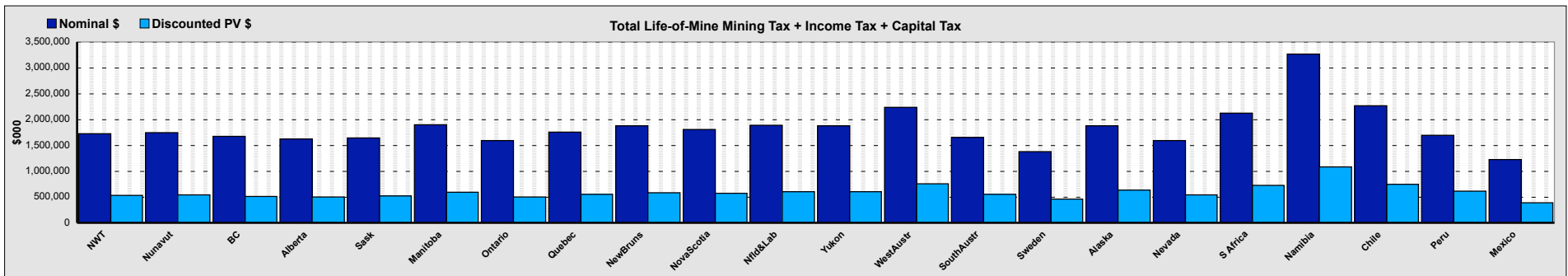
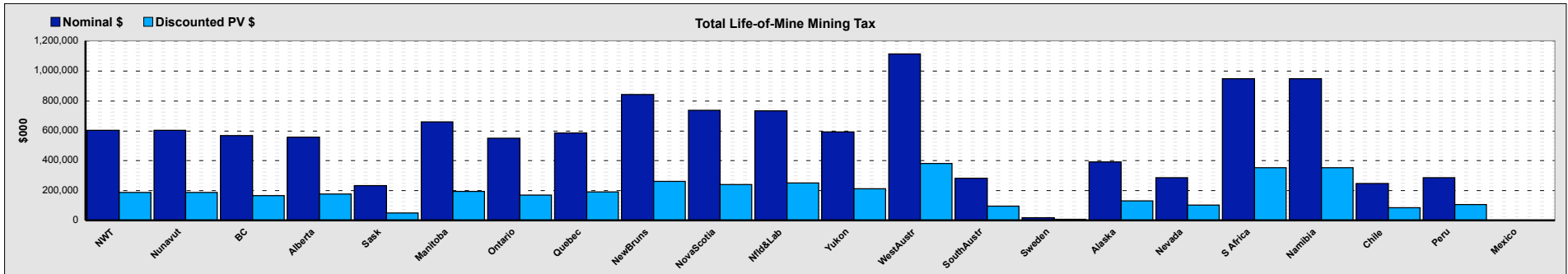
Larger Scale Diamond Mine, 20%IRR (NWT), After Tax



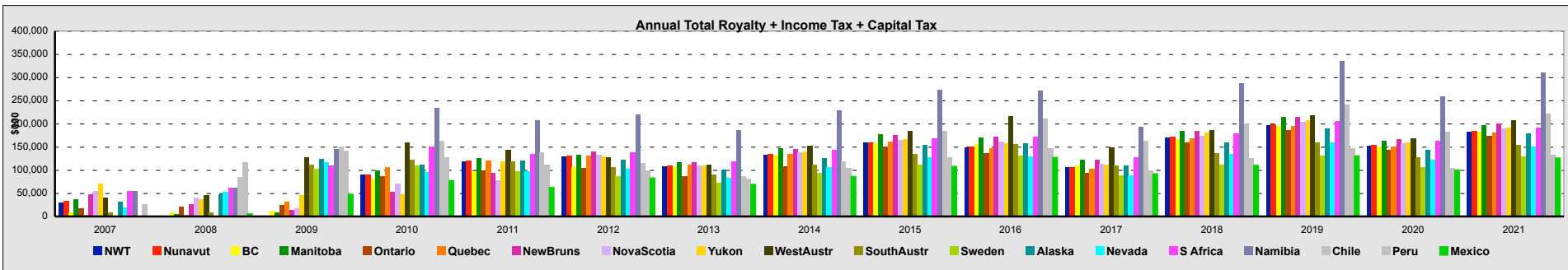
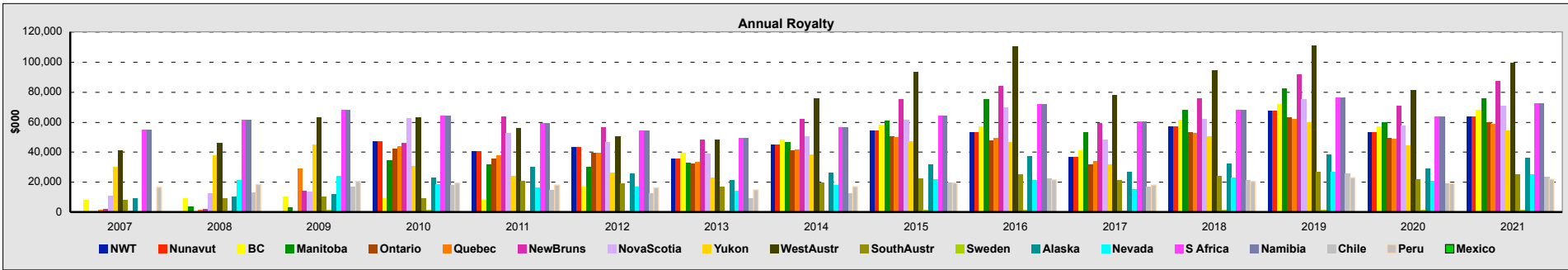
MineTax

Larger Scale Diamond Mine, 20%IRR (NWT), After Tax

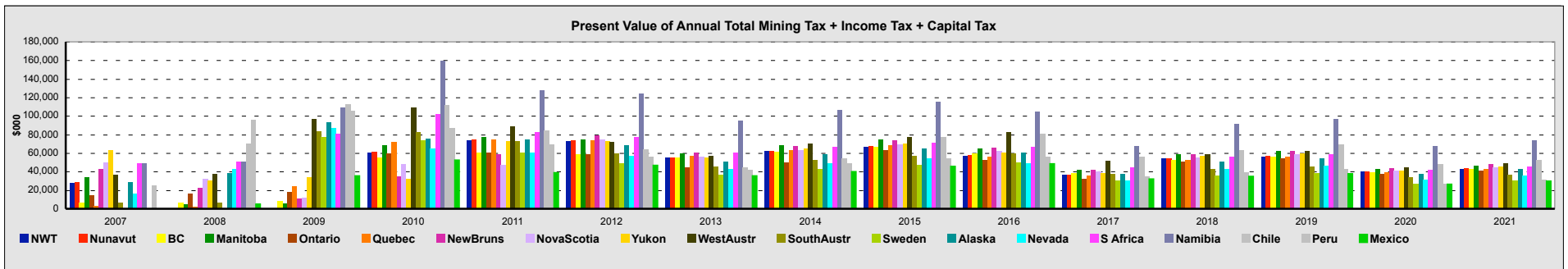
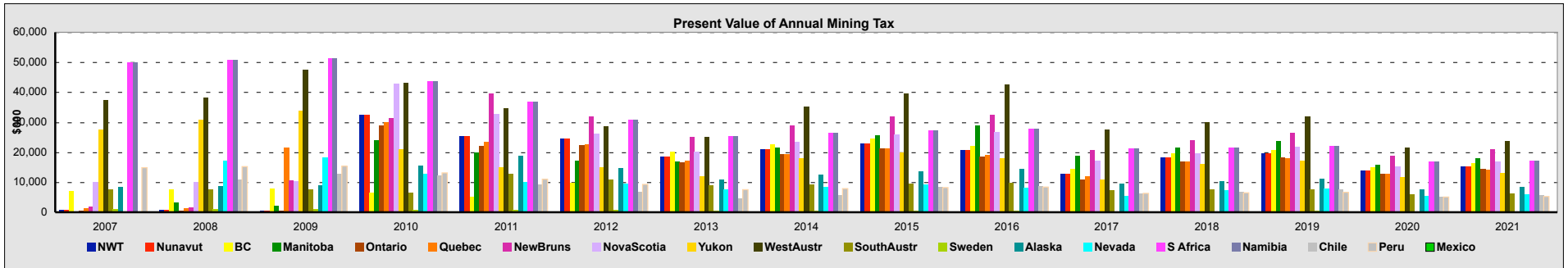
Additional Graphs: Comparative Results and Annual Results -- International Comparisons



MineTax
Larger Scale Diamond Mine, 20%IRR (NWT), After Tax



MineTax
Larger Scale Diamond Mine, 20%IRR (NWT), After Tax



MineTax	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total	
Larger Scale Diamond Mine, 20%IRR (NWT), After Tax																				
Production Schedule, Capital Investment & Determination of Net Operating Revenue																				
Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total	
Production Schedule																				
Daily mine production (t/d)																				
Annual production days (d)																				
Annual mine production (tonnes)				12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	180,000	
Unit Operating Costs (\$/t ore milled)																				
Mining operations																				
Mining				7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	
Other operating																				
Total mining operations				7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	
Milling operations																				
Milling				4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	
Power																				
Other operating																				
Total milling operations				4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	
Private royalty (% NSR)				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Total operating				11.92	11.92	11.92	11.92	11.92	11.92	11.92	11.92	11.92	11.92	11.92	11.92	11.92	11.92	11.92	11.92	
Revenue and Cost Schedule in \$ Constant (2004)																				
Revenue																				
Value of product sold																				
Mineral/Metal1				516,575,000	568,232,500	619,890,000	568,232,500	516,575,000	464,917,500	413,260,000	464,917,500	516,575,000	568,232,500	464,917,500	516,575,000	568,232,500	464,917,500	516,575,000	516,575,000	10,331.5C
Gross sales				516,575,000	568,232,500	619,890,000	568,232,500	516,575,000	464,917,500	413,260,000	464,917,500	516,575,000	568,232,500	464,917,500	516,575,000	568,232,500	464,917,500	516,575,000	516,575,000	10,331.5C
Post-site costs																				
Transportation																				0
Other post-site costs																				0
Cutting & polishing charges																				0
Marketing costs																				0
Total post-site costs				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Mine Revenue				516,575,000	568,232,500	619,890,000	568,232,500	516,575,000	464,917,500	413,260,000	464,917,500	516,575,000	568,232,500	464,917,500	516,575,000	568,232,500	464,917,500	516,575,000	516,575,000	10,331.5C
Operating Costs																				
Mining Operations				92,950,000	92,950,000	92,950,000	92,950,000	92,950,000	92,950,000	92,950,000	92,950,000	92,950,000	92,950,000	92,950,000	92,950,000	92,950,000	92,950,000	92,950,000	92,950,000	1,394.25
Milling Operations				50,050,000	50,050,000	50,050,000	50,050,000	50,050,000	50,050,000	50,050,000	50,050,000	50,050,000	50,050,000	50,050,000	50,050,000	50,050,000	50,050,000	50,050,000	50,050,000	750.750
Private Royalty				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total operating				143,000,000	143,000,000	143,000,000	143,000,000	143,000,000	143,000,000	143,000,000	143,000,000	143,000,000	143,000,000	143,000,000	143,000,000	143,000,000	143,000,000	143,000,000	143,000,000	2,145.00
Net Operating Revenue				373,575,000	425,232,500	476,890,000	425,232,500	373,575,000	321,917,500	270,260,000	321,917,500	373,575,000	425,232,500	321,917,500	373,575,000	425,232,500	321,917,500	373,575,000	373,575,000	8,186.50
Capital Costs																				
Property Acquisition																				
Exploration	75,000,000	75,000,000	75,000,000																	225,000
Preproduction Development	100,000,000	120,000,000	180,000,000				62,500,000	62,500,000					62,500,000	62,500,000						650,000
Infrastructure	26,250,000	26,250,000	22,500,000																	75,000
Mining Plant and Equipment	112,500,000	56,250,000	56,250,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	0	0
Milling Plant and Equipment	27,500,000	137,500,000	110,000,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	0	0
Working Capital																				
Environmental Reserve contribution																				
interest earned																				
withdrawal																				
balance in reserve																				
Total Capital	341,250,000	415,000,000	443,750,000	15,000,000	15,000,000	15,000,000	77,500,000	77,500,000	15,000,000	15,000,000	15,000,000	15,000,000	77,500,000	77,500,000	15,000,000	15,000,000	0	0	0	1,645.00

MineTax	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 20%IRR (NWT), After Tax																			
Production Schedule, Capital Investment & Determination of Net Operating Revenue																			
Revenue and Cost Schedule in \$ Nominal (Dollars-of-the-year)																			
Revenue																			
Value of product sold				548,193,523	615,073,132	684,408,649	639,922,087	593,382,299	544,724,950	493,883,955	566,731,838	642,296,083	720,656,206	601,420,361	681,609,742	764,766,131	638,232,098	723,329,711	10,331,550
Mineral/Metal1				548,193,523	615,073,132	684,408,649	639,922,087	593,382,299	544,724,950	493,883,955	566,731,838	642,296,083	720,656,206	601,420,361	681,609,742	764,766,131	638,232,098	723,329,711	13,298,150
Gross sales	0	0	0																
Post-site costs																			
Transportation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other post-site costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Smelting & Refining	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Marketing costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total post-site costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Mine Revenue	0	0	0	548,193,523	615,073,132	684,408,649	639,922,087	593,382,299	544,724,950	493,883,955	566,731,838	642,296,083	720,656,206	601,420,361	681,609,742	764,766,131	638,232,098	723,329,711	13,298,150
Operating Costs																			
Mining Operations	0	0	0	98,639,284	100,612,069	102,624,311	104,676,797	106,770,333	108,905,739	111,083,854	113,305,531	115,571,642	117,883,075	120,240,736	122,645,551	125,098,462	127,600,431	130,152,440	1,705,810
Milling Operations	0	0	0	53,113,460	54,175,730	55,259,244	56,364,429	57,491,718	58,641,552	59,814,383	61,010,671	62,230,884	63,475,502	64,745,012	66,039,912	67,360,710	68,707,925	70,082,083	918,513
Private Royalty	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total operating	0	0	0	151,752,744	154,787,799	157,883,555	161,041,226	164,262,050	167,547,291	170,898,237	174,316,202	177,802,526	181,358,577	184,985,748	188,685,463	192,459,172	196,308,356	200,234,523	2,624,323
Net Operating Revenue	0	0	0	396,440,779	460,285,333	526,525,094	478,880,861	429,120,248	377,177,659	322,985,718	302,415,636	454,493,557	539,297,629	416,434,612	492,924,279	572,306,958	441,923,742	523,095,188	10,673,820
Capital Costs																			
Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Exploration	75,000,000	76,500,000	78,030,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530
Preproduction Development	100,000,000	122,400,000	187,272,000	0	0	0	70,385,151	71,792,854	0	0	0	0	79,265,112	80,850,414	0	0	0	0	711,965
Infrastructure	26,250,000	26,775,000	23,409,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	76,434
Mining Plant and Equipment	112,500,000	57,375,000	58,522,500	7,163,154	7,306,417	7,452,545	7,601,596	7,753,628	7,908,701	8,066,875	8,228,212	8,392,777	8,560,632	8,731,845	8,906,482	9,084,611	0	0	333,554
Milling Plant and Equipment	27,500,000	140,250,000	114,444,000	8,754,966	8,930,065	9,108,667	9,290,840	9,476,657	9,666,190	9,859,514	10,056,704	10,257,838	10,462,995	10,672,255	10,885,700	11,103,414	0	0	410,719
Working Capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest earned	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Balance in reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Capital	341,250,000	423,300,000	461,677,500	15,918,120	16,236,482	16,561,212	87,277,587	89,023,139	17,578,691	17,926,389	18,284,916	18,650,615	98,288,739	100,254,514	19,792,181	20,188,025	0	0	1,762,200
Before Taxes and Financing Cash Flow																			
Total Mine Revenue	0	0	0	548,193,523	615,073,132	684,408,649	639,922,087	593,382,299	544,724,950	493,883,955	566,731,838	642,296,083	720,656,206	601,420,361	681,609,742	764,766,131	638,232,098	723,329,711	13,298,150
Operating Costs	0	0	0	(151,752,744)	(154,787,799)	(157,883,555)	(161,041,226)	(164,262,050)	(167,547,291)	(170,898,237)	(174,316,202)	(177,802,526)	(181,358,577)	(184,985,748)	(188,685,463)	(192,459,172)	(196,308,356)	(200,234,523)	(2,624,323)
Private Royalty	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow from Operations	0	0	0	396,440,779	460,285,333	526,525,094	478,880,861	429,120,248	377,177,659	322,985,718	302,415,636	454,493,557	539,297,629	416,434,612	492,924,279	572,306,958	441,923,742	523,095,188	10,673,820
Capital Costs	(341,250,000)	(423,300,000)	(461,677,500)	(15,918,120)	(16,236,482)	(16,561,212)	(87,277,587)	(89,023,139)	(17,578,691)	(17,926,389)	(18,284,916)	(18,650,615)	(98,288,739)	(100,254,514)	(19,792,181)	(20,188,025)	0	0	(1,762,200)
Working Capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Contribution to Environmental Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawal from Environmental Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Cash Flow	(341,250,000)	(423,300,000)	(461,677,500)	380,522,659	444,048,851	509,963,882	391,603,273	340,097,109	359,607,768	305,059,329	374,130,720	445,842,943	441,008,890	316,180,099	473,137,097	552,118,933	441,923,742	523,095,188	8,911,620
Cumulative Net Cash Flow	(341,250,000)	(764,550,000)	(1,226,227,500)	(845,704,841)	(401,655,990)	108,307,892	499,911,165	840,008,274	1,199,611,042	1,504,670,372	1,878,801,091	2,324,644,034	2,765,652,924	3,081,833,022	3,554,965,120	4,107,084,053	4,549,007,795	5,072,102,983	
Net Present Value, Before Taxes and Financing																			
			0.0%	5.0%	7.5%	10.0%	12.5%												
			discount rate (nominal)																
			discount rate (real)	-2.0%	2.9%	5.4%	7.8%	10.3%											
NPV (before tax and royalty)			8,911,624,586	4,453,975,400	3,225,269,492	2,362,717,053	1,743,965,658												

MineTax

General Economic Parameters

	Base	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Base Year, commencement of production	2007																		
Base year for cost inputs	2004																		
Number of years of mine production	15																		
Debt:Total Initial Capital Investment	50%																		
Gov't of Canada long term bond yield	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%
Inflation/Escalation																			
Annual escalation rate for operating costs and value of money	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Operating cost inflation index for the year	1.0000	1.0200	1.0404	1.0612	1.0824	1.1041	1.1262	1.1487	1.1717	1.1951	1.2190	1.2434	1.2682	1.2936	1.3195	1.3459	1.3728	1.4002	
Annual escalation rate for capital costs	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Capital cost inflation index for the year	1.0000	1.0200	1.0404	1.0612	1.0824	1.1041	1.1262	1.1487	1.1717	1.1951	1.2190	1.2434	1.2682	1.2936	1.3195	1.3459	1.3728	1.4002	
Annual escalation rate for base metal prices	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Base metal prices escalation index for the year	1.0000	1.0200	1.0404	1.0612	1.0824	1.1041	1.1262	1.1487	1.1717	1.1951	1.2190	1.2434	1.2682	1.2936	1.3195	1.3459	1.3728	1.4002	
\$Canada:\$USA Exchange Rate	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850
Discount rate for discounted cash flow analysis (real)	7.80%																		
Discount rate for discounted cash flow analysis (real)	10.00%																		
Annual interest rate on corporate debt, Cdn business prime rate	4.25%																		

Notes:

Pre-production interest expenses are capitalized.

Debt scheduled for repayment over 5 years or 50% designed mine life, whichever is longer. 42

Initial development debt repaid out of 90% of after tax cash flow. 43

Shortfall in meeting annual debt repayment is added to debt, and rescheduled over remaining. 44

All expenses after onset of production to be paid from cash flow. 45

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MineTax

Canadian & International Fiscal Parameters

Current tax and royalty rates, including legislated future changes

Canadian Fiscal Parameters	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Federal Income Tax																		
Corporate income tax rate	28%	28%	28%	28%	26.5%	26.0%	25.0%	23.5%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%
Resource income tax rate reduction	2%	3%	5%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
Corporate income tax surtax rate	4%	4%	4%	4%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Large corporation tax rate	0.200%	0.175%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Resource Allowance	19%	16%	9%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Accelerated Capital Cost Allowance (ACCA)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Capital Cost Allowance, Class 41a (CCA)	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Canadian Exploration Expense (CEE)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Canadian Development Expense (CDE)	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Atlantic & Gaspé Investment Tax Credit	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Provincial Mining Tax Deduction (federal)	25%	35%	65%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Canadian Exploration Expense Tax Credit	7%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Northwest Territories + Nunavut																		
NWT Corporate income tax rate	14.0%	14.0%	12.8%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
NT Corporate income tax rate	12.0%	12.0%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
CMR Royalty																		
CMR royalty rate (maximum)	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%
for value of output up to \$10,000.	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
for output over \$10,000 to \$5,000,000.	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
increment for each additional \$5,000,000. of output	###	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
to maximum (for output over \$45,000,000.)	###	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%
Depreciation allowance	###	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Exploration & development allowance	###	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Processing allowance max % of royaltyable income	###	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%
Processing allowance rate	###	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
British Columbia																		
Corporate income tax rate	###	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Preproduction capital gross-up rate	###	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	0.00%	0.00%	0.00%	0.00%
Investment allowance rate	###	3.65%	3.65%	5.39%	5.75%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%
Mining tax part 1 rate		2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Mining tax part 2 rate		13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%
Alberta (Metallic Minerals, Diamonds)																		
Corporate income tax rate	11.5%	11.5%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Royalty Tax credit rate, average annual	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Royalty Tax credit shelter maximum (\$000)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Mining tax rate, pre-payout	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Mining tax rate, post-payout	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
Capital Allowance	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Processing Allowance rate	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%

Saskatchewan (Gold & Base Metal)

Corporate income tax rate	17.0%	17.0%	15.5%	13.5%	12.5%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Capital tax, base rate	0.6%	0.6%	0.5%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Resource surcharge on capital tax	3.6%	3.6%	3.5%	3.2%	3.1%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Resource surcharge on capital tax _DIAMONDS	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Mining tax rate, initial period	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Mining tax rate, pastthreshold	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Threshold for mining tax increase (\$000)	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000
Preproduction allowance	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%
Depreciation	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Manitoba

Corporate income tax rate	15.0%	15.0%	14.5%	14.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%
Capital tax, base rate	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Capital tax, surtax rate	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Capital deductible amount (\$000)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Capital deductible amount for surtax (\$000)	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Mining tax rate	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%
Special tax rate	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Depreciation allowance rate	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
Investment credit rate	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
Processing allowance rate	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%

Ontario

Corporate income tax rate	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Resource allowance rate	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Capital tax rate	0.300%	0.300%	0.300%	0.285%	0.285%	0.225%	0.150%	0.075%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Capital tax, deductible amount (\$000)	5,000	7,500	10,000	12,500	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Mining tax rate	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Mining tax exemption (annual) (\$000)	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500
Mining tax holiday amount (\$000)	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Mining tax holiday period (yr)	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Remote mines																		
Mining tax rate	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Mining tax holiday amount (\$000)	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Mining tax holiday period (yr)	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Depreciation allowance rate: preprod. mine assets	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Depreciation allowance rate: mine assets	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Depreciation allowance rate: processing and transportation assets	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Processing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Development expense allowance rate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Minimum corporate income tax rate	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
Ontario charitable donation deduction rate				100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Made in Ontario deduction part 2 allowance				15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Made in Ontario deduction part 2 allowance limit rate				20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%

Quebec																	
Corporate income tax rate	8.9%	8.9%	9.9%	9.9%	11.4%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%
Resource allowance rate	25%	25%	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Capital tax rate	0.600%	0.525%	0.490%	0.360%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%
Capital tax, deductible amount (\$000)	600	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Mining duty rate	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
Depreciation allowance rate assets	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Exploration & development expense allowance rate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Processing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
For mines north of 51°																	
Tax Holiday for first production years	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Limit as % of processing assets for the year	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
New Brunswick																	
Corporate income tax rate	13%	13%	13%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
Capital tax rate	0.300%	0.300%	0.250%	0.200%	0.100%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Capital tax, deductible amount (\$000)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Metallic minerals royalty	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Royalty holiday on initial production (yr)	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Mining tax rate	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%
Depreciation allowance other assets	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%
Depreciation allowance new mine assets	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Minimum depreciation allowance new mine assets	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Exploration expense allowance rate	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%
Processing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Processing allowance maximum of revenue	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Processing allowance maximum of profit	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%
Financing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Income tax credit maximum annual limit (\$000)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Nova Scotia																	
Corporate income tax rate	16%	16%	16%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
Capital tax rate, capital between 5M and 10M	0.550%	0.550%	0.500%	0.450%	0.400%	0.300%	0.200%	0.100%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Capital tax rate, capital above 10M	0.300%	0.275%	0.250%	0.225%	0.200%	0.150%	0.100%	0.050%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Capital tax, deductible amount (\$000)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Capital tax, deductible amount 2nd level (\$000)	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Net revenue royalty	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Royalty holiday on initial production (yr)	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Net income royalty	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Depreciation allowance after yr 3	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Depreciation allowance new mine assets, 1st 3 yr	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Minimum depreciation allowance new mine assets	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Exploration expense allowance rate	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%
Processing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Processing allowance gross-up factor on asset value	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Processing allowance maximum of profit	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%
Financing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Income tax credit maximum annual limit (\$000)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000

Newfoundland & Labrador

Corporate income tax rate	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%
Mining tax rate	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Proportion of Net Income subject to Mining Tax	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
Mineral rights tax rate	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
Depreciation allowance Class 1&2 assets	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Depreciation allowance Class 3 assets	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Exploration expense allowance rate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Processing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Processing allowance maximum of income	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%
Income tax credit (10 yr.)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Income tax credit maximum annual limit (\$000)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000

Yukon

Corporate income tax rate	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
QMA Royalty																		
value of output 1	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
value of output 2	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
value of output 3	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
additional value of output increment	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
royalty rate at output 1	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
royalty rate at output 2	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
royalty rate at output 3	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
royalty rate for additional output increment	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Depreciation allowance rate	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%

International Fiscal Parameters, as of 2007

Current tax and royalty rates, including legislated future changes

Australia	
Federal corporate income tax rate	30%
Western Australia	
Base metal ad valorem royalty rate	5%
Tier 1 ad valorem diamond royalty rate	7.5%
Tier 2 net profit diamond royalty rate	22.5%
South Australia	
Base metal ad valorem royalty rate	3.5%
Reduced ad valorem royalty rate	1.5%
Reduced ad valorem royalty term (yr)	5
Sweden	
Corporate income tax rate	28%
Ad valorem minerals royalty	
to land owner	0.15%
to state	0.05%
total	0.20%
USA	
Federal corporate income tax rate	35%
Alternative minimum tax rate	20%
Environmental tax rate	0.12%
Alaska	
State corporate income tax rate	9.4%
Alternative minimum tax rate	18%
Mining license tax	7%
tax free period (yr)	3
tax reduction in 1st taxable year	50%
tax rate, net income up to \$40k	0%
tax rate, net income between \$40k and \$100k	5%
tax rate, net income above \$100k	7%
Production royalty on net income	3%
Nevada	
State corporate income tax rate	0%
Alternative minimum tax rate	0%
Net proceeds of minerals tax rate	5%
South Africa	
Corporate income tax rate	29%
Ad valorem unrefined base metal royalty rate	4%
Ad valorem unpolished diamond royalty rate	5%
Unpolished diamond export levy	5%

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Namibia

Corporate income tax rate - base metals	37.5%
Corporate income tax rate - diamonds	55%
Non-resident tax on dividends rate	10%
Ad valorem base metal royalty rate	3%
Ad valorem diamond royalty rate	10%

Chile

First category tax rate	17%
Additional (profits) tax rate	42%
Mining activities tax rate	5%
production threshold for mining activities tax t/y	50,000

Mexico

Corporate income tax rate	28%
Obligatory profit sharing rate	10%
Tax on assets rate	1.25%

Peru

Corporate income tax rate	
Basic tax rate	27%
Tax on dividends / profit distributions rate	4%
Effective total statutory rate	30%
Mining Royalty rates, ad valorem base tax rate	
value of sales up to \$60M	1%
value of sales from \$60M to \$120M	2%
value of sales above \$120M	3%

Denmark - Greenland

Corporate income tax rate	30%
Mineral royalty fee rate	0%

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June 12, 2008

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 20%IRR (NWT), After Tax																				
Northwest Territories																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307	
- Normal CCA	0	0	0	102,834	131,588	26,447	10,357	12,033	13,375	14,469	15,378	16,151	16,822	17,420	17,965	18,471	16,377	12,283	441,969	
- Accelerated CCA	0	0	0	0	305,377	54,640	0	0	0	0	0	0	0	0	0	0	0	0	360,017	
= Resource Profits	0	0	0	293,607	23,320	445,439	468,524	417,087	363,802	308,517	377,037	448,343	522,475	399,014	474,960	553,836	425,547	510,813	6,032,321	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Territorial Mining Royalty Deduction	0	0	0	727	754	781	47,281	40,804	43,239	36,046	44,921	54,137	53,399	37,061	57,351	67,504	53,179	63,731	600,914	
- CEE	0	0	0	0	0	427,386	242,747	64,754	-7,179	0	0	0	79,265	72,924	-8,085	0	0	0	871,811	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	85,232	
= Net Profit	0	0	0	265,236	0	166,744	305,531	327,742	272,471	272,471	332,117	394,206	389,811	289,030	425,693	486,332	372,368	447,082	4,474,363	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	265,236	0	166,744	305,531	327,742	272,471	272,471	332,117	394,206	389,811	289,030	425,693	486,332	372,368	447,082	4,474,363	
Basic Federal Income Tax	0	0	0	74,266	0	41,686	71,800	72,103	59,944	73,066	86,725	85,758	63,587	93,653	106,993	81,921	98,358	1,009,859		
Federal Income Surtax	0	0	0	2,971	0	0	0	0	0	0	0	0	0	0	0	0	0	2,971		
- Resource Income Tax Reduction	0	0	0	18,567	0	11,672	21,387	22,942	19,073	23,248	27,594	27,287	20,232	29,799	34,043	26,066	31,296	313,205		
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
- Exploration Expense ITC	0	0	0	58,670	0	7,039	7,179	0	0	0	0	7,927	8,085	0	0	0	0	88,900		
Federal Income Tax	0	0	0	0	0	22,975	43,233	49,161	40,871	49,817	59,131	50,545	35,269	63,854	72,950	55,855	67,062	610,725		
Territorial Income Tax (\$000)																				
= Taxable Income	0	0	0	265,236	0	166,744	305,531	327,742	272,471	272,471	332,117	394,206	389,811	289,030	425,693	486,332	372,368	447,082	4,474,363	
Provincial Income Tax	0	0	0	30,502	0	19,176	35,136	37,690	31,334	38,193	45,334	44,828	33,238	48,955	55,928	42,822	51,414	514,552		
Canada Mining Regulation Royalty (\$)																				
Net Operating Revenue (incl. ITC)	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307	
- Exploration & Development Allowance	0	0	0	360,632	278,570	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	941,496	
- Depreciation Allowance	0	0	0	144,807	488,496	19,331	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	0	820,709	
= Income before proc all	0	0	0	35,809	36,908	38,029	389,165	340,097	359,603	305,059	374,131	445,843	441,009	316,180	473,132	552,119	441,924	523,095	5,072,103	
- Processing Allowance	0	0	0	23,276	23,990	24,719	25,462	26,220	26,994	27,782	28,587	29,408	30,245	31,098	31,969	32,858	32,858	32,858	428,324	
= Net Income for Royalty	0	0	0	12,533	12,918	13,310	363,702	313,877	332,609	277,277	345,544	416,435	410,764	285,082	441,163	519,261	409,066	490,238	4,643,779	
Territorial Mining Royalty	0	0	0	727	754	781	47,281	40,804	43,239	36,046	44,921	54,137	53,399	37,061	57,351	67,504	53,179	63,731	600,914	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Development Expense	0	100,000	122,400	187,272	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	711,966	
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	820,709	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	0	3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	122,573	
- Fed. Income Tax	0	0	0	0	0	0	22,975	43,233	49,161	40,871	49,817	59,131	50,545	35,269	63,854	72,950	55,855	67,062	610,725	
- Provincial Income Tax	0	0	0	0	30,502	0	19,176	35,136	37,690	31,334	38,193	45,334	44,828	33,238	48,955	55,928	42,822	51,414	514,552	
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Mining Tax	0	0	0	0	727	754	781	47,281	40,804	43,239	36,046	44,921	54,137	53,399	37,061	57,351	67,504	53,179	63,731	
= Net Cash Flow	0	-344,876	-435,203	-483,489	321,649	420,729	491,911	290,419	214,925	229,512	196,809	241,199	287,242	292,236	210,612	302,972	355,737	290,068	340,888	3,223,339

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Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 20%IRR (NWT), After Tax																				
Nunavut																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307	
- Normal CCA	0	0	0	102,834	131,588	26,447	10,357	12,033	13,375	14,469	15,378	16,151	16,822	17,420	17,965	18,471	16,377	12,283	441,969	
- Accelerated CCA	0	0	0	0	305,377	54,640	0	0	0	0	0	0	0	0	0	0	0	0	360,017	
= Resource Profits	0	0	0	293,607	23,220	445,439	468,524	417,087	363,802	308,517	377,037	448,343	522,475	399,014	474,960	553,836	425,547	510,813	6,032,321	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Territorial Mining Royalty Deduction	0	0	0	727	754	781	47,281	40,804	43,239	36,046	44,921	54,137	53,399	37,061	57,351	67,504	53,179	63,731	600,914	
- CEE	0	0	0	0	0	427,386	242,747	64,754	-7,179	0	0	0	79,265	72,924	-8,085	0	0	0	871,811	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	85,232	
= Net Profit	0	0	0	265,236	0	166,744	305,531	327,742	272,471	332,117	394,206	389,811	289,030	425,693	486,332	372,368	447,082	4,474,363		
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	265,236	0	166,744	305,531	327,742	272,471	332,117	394,206	389,811	289,030	425,693	486,332	372,368	447,082	4,474,363		
Basic Federal Income Tax	0	0	0	74,266	0	41,686	71,800	72,103	59,944	73,066	86,725	85,758	63,587	93,653	106,993	81,921	98,358	1,009,859		
Federal Income Surtax	0	0	0	2,971	0	0	0	0	0	0	0	0	0	0	0	0	0	2,971		
- Resource Income Tax Reduction	0	0	0	18,567	0	11,672	21,387	22,942	19,073	23,248	27,594	27,287	20,232	29,799	34,043	26,066	31,296	313,205		
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
- Exploration Expense ITC	0	0	0	58,670	0	7,039	7,179	0	0	0	7,927	8,085	0	0	0	0	0	88,900		
Federal Income Tax	0	0	0	0	0	22,975	43,233	49,161	40,871	49,817	59,131	50,545	35,269	63,854	72,950	55,855	67,062	610,725		
Territorial Income Tax (\$000)																				
= Taxable Income	0	0	0	265,236	0	166,744	305,531	327,742	272,471	332,117	394,206	389,811	289,030	425,693	486,332	372,368	447,082	4,474,363		
Provincial Income Tax	0	0	0	31,828	0	20,009	36,664	39,329	32,696	39,854	47,305	46,777	34,684	51,083	58,360	44,684	53,650	536,924		
Canada Mining Regulation Royalty (\$)																				
Net Operating Revenue (incl. ITC)	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307	
- Exploration & Development Allowance	0	0	0	360,632	278,570	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	941,496	
- Depreciation Allowance	0	0	0	144,807	488,496	19,331	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	0	820,709	
= Income before proc all	0	0	0	35,809	36,908	38,029	389,165	340,097	359,603	305,059	374,131	445,843	441,009	316,180	473,132	552,119	441,924	523,095	5,072,103	
- Processing Allowance	0	0	0	23,276	23,990	24,719	25,462	26,220	26,994	27,782	28,587	29,408	30,245	31,098	31,969	32,858	32,858	32,858	428,324	
= Net Income for Royalty	0	0	0	12,533	12,918	13,310	363,702	313,877	332,609	277,277	345,544	416,435	410,764	285,082	441,163	519,261	409,066	490,238	4,643,779	
Territorial Mining Royalty	0	0	0	727	754	781	47,281	40,804	43,239	36,046	44,921	54,137	53,399	37,061	57,351	67,504	53,179	63,731	600,914	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Development Expense	0	100,000	122,400	187,272	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	711,966	
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	820,709	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	0	3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	122,573	
- Fed. Income Tax	0	0	0	0	0	0	22,975	43,233	49,161	40,871	49,817	59,131	50,545	35,269	63,854	72,950	55,855	67,062	610,725	
- Provincial Income Tax	0	0	0	31,828	0	20,009	36,664	39,329	32,696	39,854	47,305	46,777	34,684	51,083	58,360	44,684	53,650	536,924		
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Mining Tax	0	0	0	727	754	781	47,281	40,804	43,239	36,046	44,921	54,137	53,399	37,061	57,351	67,504	53,179	63,731	600,914	
= Net Cash Flow	0	-344,876	-435,203	-483,489	320,323	420,729	491,911	289,585	213,398	227,873	195,446	239,539	285,271	290,287	209,166	300,844	353,305	288,206	338,652	3,200,967

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MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 20%IRR (NWT), After Tax																				
British Columbia																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307
- Normal CCA	0	0	0	0	95,632	133,389	30,360	10,357	12,033	13,375	14,469	15,378	16,151	16,822	17,420	17,965	18,471	16,377	12,283	440,481
- Accelerated CCA	0	0	0	0	295,125	66,380	0	0	0	0	0	0	0	0	0	0	0	0	0	361,505
= Resource Profits	0	0	0	0	300,809	31,772	429,785	468,524	417,087	363,802	308,517	377,037	448,343	522,475	399,014	474,960	553,836	425,547	510,813	6,032,321
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- ProvincialMining Royalty Deduction	0	0	0	0	7,929	9,206	10,531	9,578	8,582	17,284	39,658	48,637	57,960	57,331	41,103	61,507	71,775	57,450	68,002	566,533
- CEE	0	0	0	0	0	0	401,983	268,150	64,754	-7,179	0	0	0	79,265	72,924	-8,085	0	0	0	871,811
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest Expense	0	0	0	0	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	85,232
= Net Profit	0	0	0	0	265,236	0	0	179,044	337,752	353,698	268,859	328,400	390,383	385,879	284,987	421,537	482,060	368,097	442,810	4,508,744
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Taxable Income	0	0	0	0	265,236	0	0	179,044	337,752	353,698	268,859	328,400	390,383	385,879	284,987	421,537	482,060	368,097	442,810	4,508,744
Basic Federal Income Tax	0	0	0	0	74,266	0	0	44,761	79,372	77,814	59,149	72,248	85,884	84,893	62,697	92,738	106,053	80,981	97,418	1,018,275
Federal Income Surtax	0	0	0	0	2,971	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,971
- Resource Income Tax Reduction	0	0	0	0	18,567	0	0	12,533	23,643	24,759	18,820	22,988	27,327	27,012	19,949	29,508	33,744	25,767	30,997	315,612
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense ITC	0	0	0	0	58,670	0	0	7,039	7,179	0	0	0	0	7,927	8,085	0	0	0	0	88,900
Federal Income Tax	0	0	0	0	0	0	0	25,189	48,550	53,055	40,329	49,260	58,557	49,955	34,663	63,231	72,309	55,215	66,422	616,734
Provincial Income Tax (\$000)																				
Net Operating Revenue	0	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307
- Regular CCA	0	0	0	0	153,278	67,080	8,233	10,357	12,033	13,375	14,469	15,378	16,151	16,822	17,420	17,965	18,471	16,377	12,283	409,692
- Accelerated CCA	0	0	0	0	207,590	184,705	0	0	0	0	0	0	0	0	0	0	0	0	0	392,295
= Resource Profits	0	0	0	0	35,573	208,501	518,292	468,524	417,087	363,802	308,517	377,037	448,343	522,475	399,014	474,960	553,836	425,547	510,813	6,032,321
- Mineral Tax	0	0	0	0	7,929	9,206	10,531	9,578	8,582	17,284	39,658	48,637	57,960	57,331	41,103	61,507	71,775	57,450	68,002	566,533
- CDE	0	0	0	0	0	0	0	21,116	36,319	25,423	17,796	12,457	8,720	29,884	45,174	31,622	22,135	15,495	10,846	276,986
- CEE	0	0	0	0	176,729	481,689	0	0	0	0	0	0	0	0	0	0	0	0	0	658,417
- Interest Expense	0	0	0	0	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	85,232
= Net Profit	0	0	0	0	0	0	8,801	426,079	366,188	321,095	251,063	315,943	381,663	435,261	312,737	381,831	459,925	352,602	431,964	4,445,152
- Prior Years' Losses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Taxable Income	0	0	0	0	0	0	8,801	426,079	366,188	321,095	251,063	315,943	381,663	435,261	312,737	381,831	459,925	352,602	431,964	4,445,152
Provincial Income Tax	0	0	0	0	0	0	968	46,869	40,281	35,320	27,617	34,754	41,983	47,879	34,401	42,001	50,592	38,786	47,516	488,967
Provincial Mining Tax (\$000)																				
Stage I tax																				
Gross revenue	0	0	0	0	548,194	615,073	684,409	639,922	593,382	544,725	493,884	566,732	642,296	720,656	601,420	681,610	764,766	638,232	723,330	9,458,631
- Operating Costs	0	0	0	0	151,753	154,788	157,884	161,041	164,262	167,547	170,898	174,316	177,803	181,359	184,986	188,685	192,459	196,308	200,235	2,624,323
= Net current proceeds	0	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307
= Stage I tax	0	0	0	0	7,929	9,206	10,531	9,578	8,582	17,544	6,460	7,848	9,290	10,786	8,329	9,858	11,446	8,838	10,462	136,686
Stage II tax																				
- Current prescribed costs	0	455,000	564,400	615,570	167,671	171,024	174,445	248,319	253,285	185,122	188,825	192,601	196,453	279,647	285,240	208,478	212,647	196,308	200,235	4,795,270
- Investment allowance	0	0	9,669	31,536	57,486	64,373	49,440	31,586	14,150	3,250	0	0	0	0	0	0	0	0	0	261,490
- Opening CEA balance	0	0	455,000	1,029,069	1,676,175	1,353,139	973,463	512,939	152,922	0	0	0	0	0	0	0	0	0	0	6,152,708
= Net revenue	0	-455,000	-1,029,069	-1,676,175	-1,353,139	-973,463	-512,939	-152,922	356,353	305,059	374,131	445,843	441,009	316,180	473,132	552,119	441,924	523,095	-1,750,837	
Stage II tax	0	0	0	0	0	0	0	0	22,493	46,326	39,658	48,637	57,960	57,331	41,103	61,507	71,775	57,450	68,002	572,243
- Prior year CTCA	0	0	0	0	8,300	18,327	30,210	41,653	29,042	0	0	0	0	0	0	0	0	0	0	127,532
- Current year Stage I tax	0	0	0	0	7,929	9,206	10,531	9,578	8,582	7,544	6,460	7,848	9,290	10,786	8,329	9,858	11,446	8,838	10,462	136,686
= Net Stage II tax	0	0	0	0	0	0	0	0	9,740	33,198	40,789	48,670	46,545	32,775	51,649	60,329	48,612	57,540	429,847	
Total Stage I plus Stage II tax	0	0	0	0	7,929	9,206	10,531	9,578	8,582	17,284	39,658	48,637	57,960	57,331	41,103	61,507	71,775	57,450	68,002	566,533
Cash Flow from Operations (\$000)																				
Total																				
Net operating revenue	0	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530
- Development Expense	0	100,000	122,400	187,272	0	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	711,966
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	820,709
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense	0	3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	122,573
- Fed. Income Tax	0	0	0	0	0	0	0	25,189	48,550	53,055	40,329	49,260	58,557	49,955	34,663	63,231	72,309	55,215	66,422	616,734
- Provincial Income Tax	0	0	0	0	0	0	0	968	46,869	40,281	35,320	27,617	34,754	41,983	47,879	34,401	42,001	50,592	38,786	47,516
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Provincial Mining Tax	0	0	0	0	7,929	9,206	10,531	9,578	8,582	17,284	39,658	48,637	57,960	57,331	41,103	61,507	71,775	57,450	68,002	566,533
= Net Cash Flow	0	-344,876	-435,203	-483,489	344,950	412,277	481,194	298,215	236,886	253,944	197,456	241,480	287,34							

Appendix 6a - Diamond20.xls

June 12, 2008

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 20%IRR (NWT), After Tax																				
Alberta																				
Metallic & Diamonds																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307	
- Normal CCA	0	0	0	99,046	132,535	28,495	10,357	12,033	13,375	14,469	15,378	16,151	16,822	17,420	17,965	18,471	16,377	12,283	441,177	
- Accelerated CCA	0	0	0	0	300,025	60,785	0	0	0	0	0	0	0	0	0	0	0	0	360,810	
= Resource Profits	0	0	0	297,395	27,725	437,246	468,524	417,087	363,802	308,517	377,037	448,343	522,475	399,014	474,960	553,836	425,547	510,813	6,032,321	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- ProvincialMining Royalty Deduction	0	0	0	4,514	5,159	5,828	43,173	36,879	39,103	32,440	40,608	49,090	48,384	33,277	51,980	61,326	48,102	57,843	557,706	
- CEE	0	0	0	0	0	414,146	255,986	64,754	-7,179	0	0	0	79,265	72,924	-8,085	0	0	0	871,811	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	85,232	
= Net Profit	0	0	0	265,236	0	0	157,612	309,456	331,878	276,077	336,430	399,253	394,826	292,814	431,064	492,510	377,445	452,970	4,517,571	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	265,236	0	0	157,612	309,456	331,878	276,077	336,430	399,253	394,826	292,814	431,064	492,510	377,445	452,970	4,517,571	
Basic Federal Income Tax	0	0	0	74,266	0	0	39,403	72,722	73,013	60,737	74,015	87,836	86,862	64,419	94,834	108,352	83,038	99,653	1,019,150	
Federal Income Surtax	0	0	0	2,971	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,971	
- Resource Income Tax Reduction	0	0	0	18,567	0	0	11,033	21,662	23,231	19,325	23,550	27,948	27,638	20,497	30,174	34,476	26,421	31,708	316,230	
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense ITC	0	0	0	58,670	0	0	7,039	7,179	0	0	0	0	7,927	8,085	0	0	0	0	88,900	
Federal Income Tax	0	0	0	0	0	0	21,332	43,881	49,782	41,412	50,464	59,888	51,297	35,837	64,660	73,877	56,617	67,945	616,991	
Provincial Income Tax (\$000)																				
Net Operating Revenue	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307	
- Regular CCA	0	0	0	153,278	66,226	8,233	10,357	12,033	13,375	14,469	15,378	16,151	16,822	17,420	17,965	18,471	16,377	12,283	408,838	
- Accelerated CCA	0	0	0	211,005	182,144	0	0	0	0	0	0	0	0	0	0	0	0	0	393,149	
= Resource Profits	0	0	0	32,159	211,915	518,292	468,524	417,087	363,802	308,517	377,037	448,343	522,475	399,014	474,960	553,836	425,547	510,813	6,032,321	
- Resource Tax Deduction	0	0	0	4,514	5,159	5,828	43,173	36,879	39,103	32,440	40,608	49,090	48,384	33,277	51,980	61,326	48,102	57,843	557,706	
- CDE	0	0	0	0	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	302,294	
- CEE	0	0	0	184,190	474,228	0	0	0	0	0	0	0	0	0	0	0	0	0	658,417	
- Interest Expense	0	0	0	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	85,232	
= Net Profit	0	0	0	0	0	20,965	343,214	302,417	324,699	276,077	336,430	399,253	394,826	284,887	422,979	492,510	377,445	452,970	4,428,671	
- Prior Years' Losses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	0	0	20,965	343,214	302,417	324,699	276,077	336,430	399,253	394,826	284,887	422,979	492,510	377,445	452,970	4,428,671	
Provincial Income Tax	0	0	0	0	0	2,096	34,321	30,242	32,470	27,608	33,643	39,925	39,483	28,489	42,298	49,251	37,744	45,297	442,867	
Provincial Mining Tax (\$000)																				
Gross Revenue Portion																				
Gross Revenue	0	0	0	548,194	615,073	684,409	639,922	593,382	544,725	493,884	566,732	642,296	720,656	601,420	681,610	764,766	638,232	723,330	9,458,631	
- Processing costs	0	0	0	53,113	54,176	55,259	56,364	57,492	58,642	59,814	61,011	62,231	63,476	64,745	66,040	67,361	68,708	70,082	918,513	
- Capital allowance	4,125	25,163	42,329	43,642	44,982	46,348	47,742	49,163	50,613	52,092	53,601	55,139	56,709	58,310	59,942	61,608	61,608	61,608	874,724	
= Mine mouth revenue	0	0	0	451,438	515,916	582,801	535,816	486,727	435,470	381,977	452,121	524,926	600,472	478,366	555,627	635,797	507,916	591,640	7,737,010	
Tax	0	0	0	4,514	5,159	5,828	43,173	36,879	39,103	32,440	40,608	49,090	48,384	33,277	51,980	61,326	48,102	57,843	557,706	
Net Profit Portion																				
Gross Revenue	0	0	0	548,194	615,073	684,409	639,922	593,382	544,725	493,884	566,732	642,296	720,656	601,420	681,610	764,766	638,232	723,330	9,458,631	
- Allowed capital costs	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	820,709	
- Allowed operating costs	0	0	0	151,753	154,788	157,884	161,041	164,262	167,547	170,898	174,316	177,803	181,359	184,986	188,685	192,459	196,308	200,235	2,624,323	
- Allowed exportation & development costs	175,000	198,900	265,302	0	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	941,496	
- Processing Allowance	0	0	0	29,095	29,988	30,899	31,828	32,776	33,742	34,728	35,734	36,760	37,806	38,873	39,962	41,072	41,072	41,072	535,405	
- Operating losses carried forward	0	0	0	341,250	764,550	1,226,228	874,800	460,739	0	0	0	0	0	0	0	0	0	0	3,667,566	
Net revenue	-341,250	-764,550	-1,226,228	-874,800	-460,739	18,326	359,775	307,322	325,861	270,331	338,397	409,083	403,203	277,307	433,170	511,047	400,852	482,023	869,132	
Tax	0	0	0	0	0	0	43,173	36,879	39,103	32,440	40,608	49,090	48,384	33,277	51,980	61,326	48,102	57,843	542,205	
Provincial Mining Tax	0	0	0	4,514	5,159	5,828	43,173	36,879	39,103	32,440	40,608	49,090	48,384	33,277	51,980	61,326	48,102	57,843	557,706	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Development Expense	0	100,000	122,400	187,272	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	711,966	
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	820,709	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve																				
- Interest expense	3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	122,573	
- Fed. Income Tax	0	0	0	0	0	0	21,332	43,881	49,782	41,412	50,464	59,888	51,297	35,837	64,660	73,877	56,617	67,945	616,991	
- Provincial Income Tax	0	0	0	0	0	0	2,096	34,321	30,242	32,470	27,608	33,643	39,925	39,483	28,489	42,298	49,251	37,744	442,867	
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Mining Tax	0	0	0	4,514	5,159	5,828	43,173	36,879	39,103	32,440	40,608	49,090	48,384	33,277	51,980	61,326	48,102	57,843	557,706	
= Net Cash Flow from Operations, After Tax	-344,876	-435,203	-483,489	348,364	416,324	484														

Appendix 6a - Diamond20.xls

June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 20%IRR (NWT), After Tax																				
Saskatchewan (Gold & Base Metal)																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307
- Normal CCA	0	0	0	0	103,560	131,407	26,077	10,357	12,033	13,375	14,469	15,378	16,151	16,822	17,420	17,965	18,471	16,377	12,283	442,144
- Accelerated CCA	0	0	0	0	0	306,313	53,529	0	0	0	0	0	0	0	0	0	0	0	0	359,842
= Resource Profits	0	0	0	0	292,880	22,566	446,919	468,524	417,087	363,802	308,517	377,037	448,343	522,475	399,014	474,960	553,836	425,547	510,813	6,032,321
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Provincial Mining Royalty Deduction	0	0	0	0	0	0	0	0	0	0	0	0	0	0	31,618	47,313	55,212	44,192	52,310	230,645
- CEE	0	0	0	0	0	0	429,648	240,485	64,754	-7,179	0	0	0	79,265	72,924	-8,085	0	0	0	871,811
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest Expense	0	0	0	0	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	85,232
= Net Profit	0	0	0	0	265,236	-	0	216,287	346,335	370,982	308,517	377,037	448,343	443,210	294,473	435,731	498,624	381,355	458,503	4,844,632
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Taxable Income	0	0	0	0	265,236	0	0	216,287	346,335	370,982	308,517	377,037	448,343	443,210	294,473	435,731	498,624	381,355	458,503	4,844,632
Basic Federal Income Tax	0	0	0	0	74,266	0	0	54,072	81,389	81,616	67,874	82,948	98,635	97,506	64,784	95,861	109,697	83,898	100,871	1,093,417
Federal Income Surtax	0	0	0	0	2,971	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,971
- Resource Income Tax Reduction	0	0	0	0	18,567	0	0	15,140	24,243	25,969	21,596	26,393	31,384	31,025	20,613	30,501	34,904	26,695	32,095	339,124
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense ITC	0	0	0	0	58,670	0	0	7,039	7,179	0	0	0	0	7,927	8,085	0	0	0	0	88,900
Federal Income Tax	0	0	0	0	0	0	0	31,893	49,966	55,647	46,277	56,556	67,251	58,555	36,086	65,360	74,794	57,203	68,775	668,364
Provincial Income Tax (\$000)																				
Taxable Income (from Federal Calc'n)	0	0	0	0	265,236	0	0	216,287	346,335	370,982	308,517	377,037	448,343	443,210	294,473	435,731	498,624	381,355	458,503	4,844,632
Provincial Income Tax	0	0	0	0	35,807	0	0	25,954	41,560	44,518	37,022	45,244	53,801	53,185	35,337	52,288	59,835	45,763	55,020	585,334
Provincial Capital Tax (\$000)																				
Taxable Capital	0	0	0	0	132,127	469,404	1,245,361	1,648,587	1,787,618	1,869,133	1,908,871	1,988,210	2,099,458							
Basic Capital Tax	0	0	0	0	244	459	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross resource production revenue	0	0	0	0	548,194	615,073	684,409	639,922	593,382	544,725	493,884	566,732	642,296	720,656	601,420	681,610	764,766	638,232	723,330	9,458,631
Resource surcharge	0	0	0	0	17,542	19,067	20,532	19,198	17,801	16,342	14,817	17,002	19,269	21,620	18,043	20,448	22,943	19,147	21,700	2,624,323
Resource Surtax	0	0	0	0	17,298	18,608	20,532	19,198	17,801	16,342	14,817	17,002	19,269	21,620	18,043	20,448	22,943	19,147	21,700	2,711,966
Capital Tax	0	0	0	0	17,542	19,067	20,532	19,198	17,801	16,342	14,817	17,002	19,269	21,620	18,043	20,448	22,943	19,147	21,700	820,709
Provincial Mining Royalty (\$000)																				
Gross revenue	0	0	0	0	548,194	615,073	684,409	639,922	593,382	544,725	493,884	566,732	642,296	720,656	601,420	681,610	764,766	638,232	723,330	9,458,631
- Operating costs	0	0	0	0	151,753	154,788	157,884	161,041	164,262	167,547	170,898	174,316	177,803	181,359	184,986	188,685	192,459	196,308	200,235	2,624,323
- Preproduction Allowance	0	0	0	0	396,441	460,285	102,077	0	0	0	0	0	0	0	0	0	0	0	0	958,803
- Exploration & Development	0	0	0	0	0	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	302,294
- Depreciation	0	0	0	0	0	0	424,448	228,186	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	820,709
- Loss carryforward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Profit	0	0	0	0	0	0	0	180,310	340,097	359,603	305,059	374,131	445,843	441,009	316,180	473,132	552,119	441,924	523,095	4,752,502
Basic royalty	0	0	0	0	0	0	0	9,016	17,005	21,981	30,506	37,413	44,584	44,101	31,618	47,313	55,212	44,192	52,310	435,250
Royalty holiday	0	0	0	0	0	0	0	9,016	17,005	21,981	30,506	37,413	44,584	44,101	0	0	0	0	0	204,605
Provincial Mining Royalty	0	0	0	0	0	0	0	0	0	0	0	0	0	0	31,618	47,313	55,212	44,192	52,310	230,645
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530
- Development Expense	0	100,000	122,400	187,272	0	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	711,966
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	820,709
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Interest expense	3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	0	122,573
- Fed. Income Tax	0	0	0	0	0	0	0	31,893	49,966	55,647	46,277	56,556	67,251	58,555	36,086	65,360	74,794	57,203	68,775	668,364
- Provincial Income Tax	0	0	0	0	35,807	0	0	25,954	41,560	44,518	37,022	45,244	53,801	53,185	35,337	52,288	59,835	45,763	55,020	585,334
- Provincial Capital Tax	0	0	0	0	17,542	19,067	20,532	19,198	17,801	16,342	14,817	17,002	19,269	0	0	0	0	0	0	161,570
- Provincial Mining Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	31,618	47,313	55,212	44,192	52,310	230,645
= Net Cash Flow from Operations, After Tax	-344,876	-435,203	-483,489	299,529	402,416	472,160	302,806	224,771	243,096	206,943	255,329	305,521	329,269	213,140	308,171	362,279	294,766	346,990	3,303,617	

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June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 20%IRR (NWT), After Tax																				
Manitoba																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307	
- Normal CCA	0	0	0	103,560	126,875	22,502	10,357	12,033	13,375	14,469	15,378	16,151	16,822	17,420	17,965	18,471	16,377	12,283	434,039	
- Accelerated CCA	0	0	0	0	307,015	42,807	0	0	0	0	0	0	0	0	0	0	0	0	349,822	
= Resource Profits	0	0	0	292,880	26,395	461,216	468,524	417,087	363,802	308,517	377,037	448,343	522,475	399,014	474,960	553,836	425,547	510,813	6,050,446	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Mining Royalty Deduction	0	0	0	0	3,829	3,115	35,000	32,005	30,429	32,595	46,680	60,832	75,144	53,610	67,744	82,226	59,958	75,529	658,695	
- CEE	0	0	0	0	0	440,829	210,088	64,754	-7,179	0	0	0	79,265	72,924	-8,085	0	0	0	852,596	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	85,232	
= Net Profit	0	0	0	265,236	0	0	211,684	314,330	340,553	275,921	330,357	387,511	368,066	272,481	415,300	471,610	365,589	435,284	4,453,923	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	265,236	0	0	211,684	314,330	340,553	275,921	330,357	387,511	368,066	272,481	415,300	471,610	365,589	435,284	4,453,923	
Basic Federal Income Tax	0	0	0	74,266	0	0	52,921	73,868	74,922	60,703	72,679	85,252	80,975	59,946	91,366	103,754	80,430	95,762	1,006,843	
Federal Income Surtax	0	0	0	2,971	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,971	
- Resource Income Tax Reduction	0	0	0	18,567	0	0	14,818	22,003	23,839	19,314	23,125	27,126	25,765	19,074	29,071	33,013	25,591	30,470	311,775	
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense ITC	0	0	0	58,670	0	0	7,039	7,179	0	0	0	0	7,927	8,085	0	0	0	0	88,900	
Federal Income Tax	0	0	0	0	0	0	31,065	44,685	51,083	41,388	49,554	58,127	47,283	32,787	62,295	70,742	54,838	65,293	609,139	
Provincial Income Tax (\$000)																				
Taxable Income (from Federal Calc'n)	0	0	0	265,236	0	0	211,684	314,330	340,553	275,921	330,357	387,511	368,066	272,481	415,300	471,610	365,589	435,284	4,453,923	
Provincial Income Tax	0	0	0	37,133	0	0	27,519	40,863	44,272	35,870	42,946	50,376	47,849	35,423	53,989	61,309	47,527	56,587	581,662	
Provincial Capital Tax (\$000)																				
Taxable Capital	0	0	0	166,770	517,246	1,316,566	1,666,221	1,789,898	1,854,747	1,875,276	1,926,561	2,000,822								
Basic Capital Tax	0	0	0	485	1,537	3,935	4,984	5,355	5,549	5,611	5,765	5,987								
Capital Surtax	0	0	0	304	502	1,302	1,651	1,775	1,840	1,860	1,912	1,986								
Capital Tax	0	0	0	789	2,039	5,236	6,635	7,130	7,389	7,471	7,676	7,973							52,338	
Provincial Mining Tax (\$000)																				
Net Operating Revenue	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307	
- Exploration Expenses	0	0	0	0	0	289,292	1,048	0	0	0	0	0	0	0	0	0	0	0	290,341	
- Depreciation Allowance	0	0	0	202,523	8,209	166,608	136,398	109,564	88,423	72,444	61,612	53,020	46,221	40,857	36,644	33,353	26,682	21,346	1,103,905	
- Tax Holiday Allowance	0	0	0	193,918	365,247	0	0	0	0	0	0	0	0	0	0	0	0	0	559,165	
= Profit before proc all	0	0	0	0	86,829	70,625	341,435	319,556	288,754	250,542	330,803	411,474	493,077	375,577	456,280	538,954	415,241	501,749	4,880,896	
- Processing Allowance	0	0	0	0	56,439	45,906	63,656	65,551	67,484	69,456	71,468	73,519	75,612	77,746	79,923	82,144	82,144	82,144	993,192	
= Taxable Profit	0	0	0	0	30,390	24,719	277,779	254,005	221,270	181,086	259,336	337,955	417,465	297,831	376,357	456,810	333,097	419,605	3,887,705	
Special Tax	0	0	0	152	124	1,389	1,270	1,106	905	1,297	1,690	2,087	1,489	1,882	2,284	1,665	2,098	1,9439	19,439	
Mining Tax	0	0	0	0	5,470	4,449	50,000	45,721	39,829	32,595	46,680	60,832	75,144	53,610	67,744	82,226	59,958	75,529	699,787	
- Investment Credit	0	0	0	0	1,641	1,335	15,000	13,716	9,400	0	0	0	0	0	0	0	0	0	41,092	
- Special Tax Refund	0	0	0	0	152	124	1,389	1,270	1,106	905	1,297	1,690	2,087	1,489	1,882	2,284	1,665	2,098	19,439	
Provincial Mining Tax	0	0	0	0	3,829	3,115	35,000	32,005	30,429	32,595	46,680	60,832	75,144	53,610	67,744	82,226	59,958	75,529	658,695	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Development Expense	0	100,000	122,400	187,272	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	711,966	
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	820,709	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	122,573	
- Fed. Income Tax	0	0	0	0	0	0	31,065	44,685	51,083	41,388	49,554	58,127	47,283	32,787	62,295	70,742	54,838	65,293	609,139	
- Provincial Income Tax	0	0	0	37,133	0	0	27,519	40,863	44,272	35,870	42,946	50,376	47,849	35,423	53,989	61,309	47,527	56,587	581,662	
- Provincial Capital Tax	0	0	0	789	2,039	5,236	6,635	7,130	7,389	7,471	7,676	7,973	0	0	0	0	0	0	52,338	
- Provincial Mining Tax	0	0	0	0	3,829	3,115	35,000	32,005	30,429	32,595	46,680	60,832	75,144	53,610	67,744	82,226	59,958	75,529	658,695	
= Net Cash Flow from Operations, After Tax	-344,876	-435,203	-483,489	314,956	415,615	484,341	279,632	209,416	226,430	187,735	227,274	268,535	270,733	194,361	289,104	337,842	279,601	325,687	3,047,695	

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June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 20%IRR (NWT), After Tax																				
Ontario																				
Diamond Royalty																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307
- Normal CCA	0	0	0	0	103,009	131,545	26,358	10,357	12,033	13,375	14,469	15,378	16,151	16,822	17,420	17,965	18,471	16,377	12,283	442,012
- Accelerated CCA	0	0	0	0	0	305,602	54,373	0	0	0	0	0	0	0	0	0	0	0	0	359,975
= Resource Profits	0	0	0	0	293,432	23,139	445,795	468,524	417,087	363,802	308,517	377,037	448,343	522,475	399,014	474,960	553,836	425,547	510,813	6,032,321
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Provincial Mining Royalty Deduction	0	0	0	0	551	573	595	42,392	35,865	39,629	32,364	41,165	50,306	47,946	31,498	53,286	63,357	49,351	59,826	548,704
- CEE	0	0	0	0	0	0	427,928	242,204	64,754	-7,179	0	0	0	79,265	72,924	-8,085	0	0	0	871,811
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest Expense	0	0	0	0	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	85,232
= Net Profit	0	0	0	0	265,236	0	0	172,176	310,470	331,352	276,153	335,872	398,037	395,264	294,592	429,759	490,479	376,196	450,986	4,526,573
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Taxable Income	0	0	0	0	265,236	0	0	172,176	310,470	331,352	276,153	335,872	398,037	395,264	294,592	429,759	490,479	376,196	450,986	4,526,573
Basic Federal Income Tax	0	0	0	0	74,266	0	0	43,044	72,960	72,898	60,754	73,892	87,568	86,958	64,810	94,547	107,905	82,763	99,217	1,021,582
Federal Income Surtax	0	0	0	0	2,971	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,971
- Resource Income Tax Reduction	0	0	0	0	18,567	0	0	12,052	21,733	23,195	19,331	23,511	27,863	27,668	20,621	30,083	34,334	26,334	31,569	316,860
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense ITC	0	0	0	0	58,670	0	0	7,039	7,179	0	0	0	0	7,927	8,085	0	0	0	0	88,900
Federal Income Tax	0	0	0	0	0	0	0	23,953	44,048	49,703	41,423	50,381	59,706	51,363	36,104	64,464	73,572	56,429	67,648	618,793
Provincial Income Tax (\$000)																				
Net Operating Revenue	0	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307
- Regular CCA	0	0	0	0	153,278	67,401	8,233	10,357	12,033	13,375	14,469	15,378	16,151	16,822	17,420	17,965	18,471	16,377	12,283	410,013
- Accelerated CCA	0	0	0	0	206,304	185,669	0	0	0	0	0	0	0	0	0	0	0	0	0	391,973
= Resource Profits	0	0	0	0	36,859	207,215	518,292	468,524	417,087	363,802	308,517	377,037	448,343	522,475	399,014	474,960	553,836	425,547	510,813	6,032,321
- Resource Allowance	0	0	0	0	9,215	51,804	129,573	117,131	104,272	90,951	77,129	94,259	112,086	130,619	99,754	118,740	138,459	106,387	127,703	1,508,080
- CDE	0	0	0	0	0	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	302,294
- CEE	0	0	0	0	0	0	132,845	371,447	154,125	0	0	0	0	0	0	0	0	0	0	658,417
- Interest Expense	0	0	0	0	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	85,232
= Net Profit	0	0	0	0	0	0	0	115,130	235,024	272,852	231,387	282,778	336,257	312,591	218,410	356,220	415,377	319,160	383,109	3,478,297
- Prior Years' Losses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Taxable Income	0	0	0	0	0	0	0	115,130	235,024	272,852	231,387	282,778	336,257	312,591	218,410	356,220	415,377	319,160	383,109	3,478,297
Basic Provincial Income Tax	0	0	0	0	0	0	0	13,816	28,203	32,742	27,766	33,933	40,351	37,511	26,209	42,746	49,845	38,299	45,973	417,396
Corporate Minimum Tax	0	0	0	0	15,858	18,411	21,061	5,340	-11,038	-17,655	-14,847	-17,129	0	0	0	0	0	0	0	0
Provincial Income Tax	0	0	0	0	15,858	18,411	21,061	19,155	17,165	15,087	12,919	16,804	40,351	37,511	26,209	42,746	49,845	38,299	45,973	417,396
Provincial Capital Tax (\$000)																				
Taxable Capital	0	0	0	0	168,623	504,587	1,274,867	1,668,875	1,818,804	1,912,406	1,963,554	2,053,346	2,154,552	0	0	0	0	0	0	0
Capital Tax	0	0	0	0	445	1,395	2,835	2,481	1,353	0	0	0	0	0	0	0	0	0	0	8,509
Provincial Diamond Royalty (\$000)																				
Net Operating Revenue (incl. ITC)	0	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307
- Offsite exploration within Ontario	0	0	0	0	0	0	0	0	0	0	0	0	0	79,265	80,850	0	0	0	0	941,496
- Exploration & Development Allowance	0	0	0	0	360,632	278,570	0	70,385	71,793	0	0	0	0	0	0	0	0	0	0	820,709
- Depreciation Allowance	0	0	0	0	144,807	488,496	19,331	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	0	820,709
= Income before proc all	0	0	0	0	35,809	36,908	38,029	389,165	340,097	359,603	305,059	374,131	445,843	441,009	316,180	473,132	552,119	441,924	523,095	5,072,103
- Processing Allowance	0	0	0	0	23,276	23,990	24,719	25,462	26,220	26,994	27,782	28,587	29,408	30,245	31,098	31,969	32,858	32,858	32,858	428,324
= Net Income after Processing Allowance	0	0	0	0	12,533	12,918	13,310	363,702	313,877	332,609	277,277	345,544	416,435	410,764	285,082	441,163	519,261	409,066	490,238	4,643,779
- Community Econ.Dev. Incentive (1)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Community Econ.Dev. Incentive (2)	0	0	0	0	2,507	2,584	2,662	37,614	37,993	27,768	28,324	28,890	29,468	41,947	42,786	31,272	31,897	29,446	30,035	405,192
= Net Income for Royalty	0	0	0	0	10,027	10,334	10,648	326,089	275,884	304,841	248,953	316,654	386,967	368,817	242,296	409,891	487,364	379,620	460,202	4,238,587
Territorial Mining Royalty	0	0	0	0	551	573	595	42,392	35,865	39,629	32,364	41,165	50,306	47,946	31,498	53,286	63,357	49,351	59,826	548,704

Appendix 6a - Diamond20.xls

June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 20%IRR (NWT), After Tax																				
Ontario																				
Diamond Royalty																				
Cash Flow from Operations (\$000)																				Total
Net operating revenue	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530
- Development Expense	0	100,000	122,400	187,272	0	0	0	70,385	71,793	0	0	0	79,265	80,850	0	0	0	0	0	711,966
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	820,709
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Interest expense	3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	0	122,573
- Fed. Income Tax	0	0	0	0	0	0	23,953	44,048	49,703	41,423	50,381	59,706	51,363	36,104	64,464	73,572	56,429	67,648	618,793	
- Provincial Income Tax	0	0	0	15,858	18,411	21,061	19,155	17,165	15,087	12,919	16,804	40,351	37,511	26,209	42,746	49,845	38,299	45,973	417,396	
- Provincial Capital Tax	0	0	0	445	1,395	2,835	2,481	1,353	0	0	0	0	0	0	0	0	0	0	0	8,509
- Provincial Mining Tax	0	0	0	551	573	595	42,392	35,865	39,629	32,364	41,165	50,306	47,946	31,498	53,286	63,357	49,351	59,826	548,704	
= Net Cash Flow from Operations, After Tax	-344,876	-435,203	-483,489	336,024	401,103	468,202	291,870	235,668	255,184	218,353	265,781	295,481	304,189	222,369	312,636	365,345	297,844	349,648	3,356,128	

Appendix 6a - Diamond20.xls

June 12, 2008

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 20%IRR (NWT), After Tax																				
Quebec																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307	
- Normal CCA	0	0	0	101,886	131,849	26,941	10,357	12,033	13,375	14,469	15,378	16,151	16,822	17,420	17,965	18,471	16,377	12,283	441,777	
- Accelerated CCA	0	0	0	0	304,181	56,123	0	0	0	0	0	0	0	0	0	0	0	0	360,304	
= Resource Profits	0	0	0	294,555	242,555	443,460	468,524	417,087	363,802	308,517	377,037	448,343	522,475	399,014	474,960	553,836	425,547	510,813	6,032,226	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- ProvincialMining Royalty Deduction	0	0	0	1,504	1,550	28,848	43,937	37,665	39,913	33,273	41,465	49,972	49,292	34,210	52,940	62,311	49,088	58,829	584,797	
- CEE	0	0	0	0	0	397,234	272,999	64,754	-7,179	0	0	0	79,265	72,924	-8,085	0	0	0	871,912	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	27,815	22,705	17,378	11,825	6,035	0	0	0	0	0	0	0	0	0	0	85,758	
= Net Profit	0	0	0	265,236	0	0	139,763	308,632	331,069	275,243	335,572	398,371	393,919	291,881	430,105	491,525	376,459	451,984	4,489,758	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	265,236	0	0	139,763	308,632	331,069	275,243	335,572	398,371	393,919	291,881	430,105	491,525	376,459	451,984	4,489,758	
Basic Federal Income Tax	0	0	0	74,266	0	0	34,941	72,529	72,835	60,554	73,826	87,642	86,662	64,214	94,623	108,135	82,821	99,437	1,012,483	
Federal Income Surtax	0	0	0	2,971	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,971	
- Resource Income Tax Reduction	0	0	0	18,567	0	0	9,783	21,604	23,175	19,267	23,490	27,886	27,574	20,432	30,107	34,407	26,352	31,639	314,283	
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense ITC	0	0	0	58,670	0	0	7,039	7,179	0	0	0	0	7,927	8,085	0	0	0	0	88,900	
Federal Income Tax	0	0	0	0	0	0	18,119	43,745	49,660	41,286	50,336	59,756	51,161	35,697	64,516	73,729	56,469	67,798	612,271	
Provincial Income Tax (\$000)																				
Net Operating Revenue	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307	
- Regular CCA	0	0	0	153,239	65,477	8,233	10,357	12,033	13,375	14,469	15,378	16,151	16,822	17,420	17,965	18,471	16,377	12,283	408,050	
- Accelerated CCA	0	0	0	213,883	179,897	0	0	0	0	0	0	0	0	0	0	0	0	0	393,781	
= Resource Profits	0	0	0	29,319	214,911	518,292	468,524	417,087	363,802	308,517	377,037	448,343	522,475	399,014	474,960	553,836	425,547	510,813	6,032,477	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Resource royalties	0	0	0	1,504	1,550	28,848	43,937	37,665	39,913	33,273	41,465	49,972	49,292	34,210	52,940	62,311	49,088	58,829	584,797	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- CEE	0	0	0	0	190,655	468,113	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	961,062	
- Interest Expense	0	0	0	27,815	22,705	17,378	11,825	6,035	0	0	0	0	0	0	0	0	0	0	85,758	
= Net Profit	0	0	0	0	0	3,952	342,377	301,594	323,889	275,243	335,572	398,371	393,919	283,954	422,020	491,525	376,459	451,984	4,400,859	
- Prior Years' Losses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	0	0	3,952	342,377	301,594	323,889	275,243	335,572	398,371	393,919	283,954	422,020	491,525	376,459	451,984	4,400,859	
Provincial Income Tax	0	0	0	0	0	470	40,743	35,890	38,543	32,754	39,933	47,406	46,876	33,791	50,220	58,491	44,799	53,786	523,702	
Provincial Capital Tax (\$000)																				
Taxable Capital	111,323	244,451	383,718	560,138	756,001	979,055	1,115,100	1,200,130	1,244,330	1,262,252	1,304,004	1,364,325								
Capital Tax	664	1,278	1,875	2,013	2,190	2,836	3,231	3,477	3,606	3,658	3,779	3,954	0	0	0	0	0	0	0	
Provincial Mining Duty (\$000)																				
Net Operating Revenue	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307	
- Depreciation Allowance	0	0	0	0	374,337	261,404	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	0	
- Refundable Exploration Credit	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Exploration & Development Allowance	0	0	0	360,632	49,040	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	711,966	
= Profit before proc all	0	0	0	35,809	36,908	265,121	391,603	340,097	359,603	305,059	374,131	445,843	441,009	316,180	473,132	552,119	441,924	523,095	5,301,633	
- Processing Allowance	0	0	0	23,276	23,990	24,719	25,462	26,220	26,994	27,782	28,587	29,408	30,245	31,098	31,969	32,858	32,858	32,858	428,324	
= Taxable Income	0	0	0	12,533	12,918	240,402	366,141	313,877	332,609	277,277	345,544	416,435	410,764	285,082	441,163	519,261	409,066	490,238	4,873,309	
Provincial Mining Duty	0	0	0	1,504	1,550	28,848	43,937	37,665	39,913	33,273	41,465	49,972	49,292	34,210	52,940	62,311	49,088	58,829	584,797	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Development Expense	0	100,000	122,400	187,272	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	711,966	
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	820,709	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	3,640	11,959	21,937	27,815	22,705	17,378	11,825	6,035	0	0	0	0	0	0	0	0	0	0	123,295	
- Fed. Income Tax	0	0	0	0	0	0	18,119	43,745	49,660	41,286	50,336	59,756	51,161	35,697	64,516	73,729	56,469	67,798	612,271	
- Provincial Income Tax	0	0	0	0	0	0	470	40,743	35,890	38,543	32,754	39,933	47,406	46,876	33,791	50,220	58,491	44,799	53,786	
- Provincial Capital Tax	0	664	1,278	1,875	2,013	2,190	2,836	3,231	3,477	3,606	3,658	3,779	3,954	0	0	0	0	0	32,561	
- Provincial Mining Tax	0	0	0	0	1,504	1,550	28,848	43,937	37,665	39,913	33,273	41,465	49,972	49,292	34,210	52,940	62,311	49,088	584,797	
= Net Cash Flow from Operations, After Tax	-345,554	-436,537	-485,490	349,191	417,604	460,431	273,749	213,284	227,881	194,088	238,618	284,755	293,680	212,483	305,456	357,587	291,568	342,683	3,195,477	

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June 12, 2008

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 20%IRR (NWT), After Tax																				
New Brunswick																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307	
- Normal CCA	0	0	0	0	155,724	86,405	8,980	10,554	11,810	12,830	13,674	14,389	15,007	15,555	16,052	16,513	14,374	12,294	404,160	
- Accelerated CCA	0	0	0	0	77,530	238,265	0	0	0	0	0	0	0	0	0	0	0	0	315,795	
= Resource Profits	0	0	0	396,441	227,032	201,855	469,900	418,567	365,368	310,156	378,741	450,105	524,291	400,879	476,872	555,794	427,550	510,801	6,114,352	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- ProvincialMining Royalty Deduction	0	0	0	1,945	1,945	14,076	46,145	63,617	56,733	48,676	61,958	75,363	84,117	59,305	75,761	91,740	71,248	87,321	839,949	
- CEE	0	0	0	0	0	161,707	363,459	209,800	-7,179	0	0	0	79,265	72,924	-8,085	0	0	0	871,891	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	27,778	22,675	17,355	11,809	6,027	0	0	0	0	0	0	0	0	0	0	85,645	
= Net Profit	0	0	0	366,718	202,412	8,716	48,488	139,123	315,814	261,480	316,783	374,742	360,909	268,650	409,196	464,054	356,302	423,480	4,316,867	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	366,718	202,412	8,716	48,488	139,123	315,814	261,480	316,783	374,742	360,909	268,650	409,196	464,054	356,302	423,480	4,316,867	
Basic Federal Income Tax	0	0	0	102,681	53,639	2,266	12,122	32,694	69,479	57,526	69,692	82,443	79,400	59,103	90,023	102,092	78,386	93,166	984,712	
Federal Income Surtax	0	0	0	4,107	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,107	
- Resource Income Tax Reduction	0	0	0	25,670	14,169	610	3,394	9,739	22,107	18,304	22,175	26,232	25,264	18,806	28,644	32,484	24,941	29,644	302,181	
- Atlantic ITC	0	0	0	60,294	1,624	1,656	1,689	1,723	1,757	1,793	1,828	1,865	1,902	1,940	1,979	2,019	0	0	82,071	
- Exploration Expense ITC	0	0	0	20,824	37,847	0	7,039	7,179	0	0	0	0	7,927	8,085	0	0	0	0	88,900	
Federal Income Tax	0	0	0	0	0	0	0	14,053	45,615	37,429	45,689	54,346	44,307	30,272	59,400	67,589	53,445	63,522	515,669	
Provincial Income Tax (\$000)																				
Taxable Income (from Federal Calc'n)	0	0	0	366,718	202,412	8,716	48,488	139,123	315,814	261,480	316,783	374,742	360,909	268,650	409,196	464,054	356,302	423,480	4,316,867	
Provincial Income Tax	0	0	0	44,006	24,289	1,046	5,819	16,695	37,898	31,378	38,014	44,969	43,309	32,238	49,104	55,686	42,756	50,818	518,024	
Provincial Capital Tax (\$000)																				
Taxable Capital	161,989	361,692	570,619	791,227	1,061,495	1,413,131	1,671,281	1,825,247												
Provincial Mining Tax (\$000)																				
Metallic Minerals Royalty																				
Mine Revenue (net of transportation, smelting and further processing costs)	0	0	0	548,194	615,073	684,409	639,922	593,382	544,725	493,884	566,732	642,296	720,656	601,420	681,610	764,766	638,232	723,330	9,458,631	
- Milling costs	0	0	0	53,113	54,176	55,259	56,364	57,492	58,642	59,814	61,011	62,231	63,476	64,745	66,040	67,361	68,708	70,082	918,513	
- Processing allowance	0	0	0	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	338,633	
= Net Revenue	0	0	0	472,505	538,322	606,574	560,982	513,315	463,508	411,494	483,146	557,490	634,605	514,100	592,994	674,830	546,949	630,672	8,201,485	
Metallic minerals royalty	0	0	0	0	0	12,131	11,220	10,266	9,270	8,230	9,663	11,150	12,692	10,282	11,860	13,497	10,939	12,613	143,813	
Mining Tax																				
Net Operating Revenue	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307	
- Exploration Allowance	0	0	0	0	160,119	184,176	0	0	0	0	0	0	0	0	0	0	0	0	344,295	
- Depreciation Allowance	0	0	0	305,109	399,624	317,705	36,747	54,171	41,973	33,959	28,735	25,374	49,676	66,534	50,955	40,700	27,135	18,091	1,496,487	
- Financing Allowance	0	0	0	56,601	25,930	1,838	5,880	8,669	6,717	5,434	4,598	4,060	7,949	10,647	8,154	6,513	4,342	2,895	160,227	
- Provincial royalties, rental and charges	0	0	0	0	0	12,131	11,220	10,266	9,270	8,230	9,663	11,150	12,692	10,282	11,860	13,497	10,939	12,613	143,813	
- 3rd party royalty, not to the province	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Profit before proc all	0	0	0	34,732	34,732	34,732	240,857	356,014	319,217	275,363	349,420	423,910	468,980	328,972	421,955	511,597	399,508	489,496	4,689,485	
- Processing Allowance	0	0	0	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	338,633	
= Taxable Income for Mining Tax	0	0	0	12,156	12,156	12,156	218,282	333,439	296,642	252,788	326,844	401,334	446,404	306,396	399,380	489,022	376,932	466,920	4,350,852	
Mining tax	0	0	0	1,945	1,945	1,945	34,925	53,350	47,463	40,446	52,295	64,213	71,425	49,023	63,901	78,243	60,309	74,707	696,136	
Provincial Mining Tax	0	0	0	1,945	1,945	14,076	46,145	63,617	56,733	48,676	61,958	75,363	84,117	59,305	75,761	91,740	71,248	87,321	839,949	
Royalty Holder Mining Tax (\$000)																				
Royalty income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Mining tax on royalty income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Appendix 6a - Diamond20.xls

June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 20%IRR (NWT), After Tax																				
New Brunswick																				
Cash Flow from Operations (\$000)																				Total
Net operating revenue		0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530
- Development Expense	0	100,000	122,400	187,272	0	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	711,966
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	820,709
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Interest expense		3,636	11,947	21,911	27,778	22,675	17,355	11,809	6,027	0	0	0	0	0	0	0	0	0	0	123,140
- Fed. Income Tax		0	0	0	0	0	0	0	14,053	45,615	37,429	45,689	54,346	44,307	30,272	59,400	67,589	53,445	63,522	515,669
- Provincial Income Tax		0	0	0	44,006	24,289	1,046	5,819	16,695	37,898	31,378	38,014	44,969	43,309	32,238	49,104	55,686	42,756	50,818	518,024
- Provincial Capital Tax		486	1,085	1,427	1,582	1,061	0	0	0	0	0	0	0	0	0	0	0	0	0	5,642
- Provincial Mining Tax		0	0	0	1,945	1,945	14,076	46,145	63,617	56,733	48,676	61,958	75,363	84,117	59,305	75,761	91,740	71,248	87,321	839,949
= Net Cash Flow from Operations, After Tax		-345,372	-436,332	-485,015	305,211	394,078	477,486	327,831	239,705	219,358	187,576	228,470	271,164	269,276	194,365	288,868	337,103	274,474	321,435	3,069,679

Appendix 6a - Diamond20.xls

June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 20%IRR (NWT), After Tax																				
Nova Scotia																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307	
- Normal CCA	0	0	0	0	155,723	91,550	8,980	10,554	11,810	12,830	13,674	14,389	15,007	15,555	16,052	16,513	14,374	12,294	409,305	
- Accelerated CCA	0	0	0	0	56,947	253,701	0	0	0	0	0	0	0	0	0	0	0	0	310,649	
= Resource Profits	0	0	0	396,441	247,615	181,274	469,900	418,567	365,368	310,156	378,741	450,105	524,291	400,879	476,872	555,794	427,550	510,801	6,114,354	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Mining Royalty Deduction	0	0	0	10,964	12,301	13,688	62,685	52,689	46,340	39,206	50,300	61,571	69,530	48,729	62,163	75,424	57,724	71,199	734,513	
- CEE	0	0	0	0	0	141,515	346,920	246,529	-7,179	0	0	0	79,265	72,924	-8,085	0	0	0	871,889	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	27,776	22,673	17,354	11,808	6,027	0	0	0	0	0	0	0	0	0	0	85,639	
= Net Profit	0	0	0	357,701	212,640	8,716	48,488	113,322	326,207	270,950	328,441	388,534	375,496	279,227	422,795	480,370	369,826	439,602	4,422,313	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	357,701	212,640	8,716	48,488	113,322	326,207	270,950	328,441	388,534	375,496	279,227	422,795	480,370	369,826	439,602	4,422,313	
Basic Federal Income Tax	0	0	0	100,156	56,350	2,266	12,122	26,631	71,765	59,609	72,257	85,477	82,609	61,430	93,015	105,681	81,362	96,712	1,007,443	
Federal Income Surtax	0	0	0	4,006	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,006	
- Resource Income Tax Reduction	0	0	0	25,039	14,885	610	3,394	7,933	22,834	18,967	22,991	27,197	26,285	19,546	29,596	33,626	25,888	30,772	309,562	
- Atlantic ITC	0	0	0	60,294	1,624	1,656	1,689	1,723	1,757	1,793	1,828	1,865	1,902	1,940	1,979	2,019	0	0	82,071	
- Exploration Expense ITC	0	0	0	18,829	39,841	0	7,039	7,179	0	0	0	0	7,927	8,085	0	0	0	0	88,900	
Federal Income Tax	0	0	0	0	0	0	-	9,796	47,174	38,850	47,438	56,415	46,495	31,859	61,440	70,037	55,474	65,940	530,917	
Provincial Income Tax (\$000)																				
Taxable Income (from Federal Calc'n)	0	0	0	357,701	212,640	8,716	48,488	113,322	326,207	270,950	328,441	388,534	375,496	279,227	422,795	480,370	369,826	439,602	4,422,313	
Provincial Income Tax	0	0	0	42,924	25,517	1,046	5,819	13,599	39,145	32,514	39,413	46,624	45,059	33,507	50,735	57,644	44,379	52,752	530,678	
Provincial Capital Tax (\$000)																				
Taxable Capital	166,989	366,692	575,622	788,101	1,045,758	1,395,689	1,635,665	1,807,009												
Capital Tax	501	1,008	1,439	1,773	2,092	2,094	1,636	904												11,446
Provincial Mining Tax (\$000)																				
Net Revenue Royalty																				
Mine Revenue (net of transportation, smelting and further processing costs)	0	0	0	548,194	615,073	684,409	639,922	593,382	544,725	493,884	566,732	642,296	720,656	601,420	681,610	764,766	638,232	723,330	9,458,631	
Net revenue royalty	0	0	0	10,964	12,301	13,688	12,798	11,868	10,894	9,878	11,335	12,846	14,413	12,028	13,632	15,295	12,765	14,467	189,173	
Mining Tax																				
Net Operating Revenue	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307	
- Exploration expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Depreciation Allowance	0	0	0	353,026	416,871	483,111	32,764	49,642	40,022	33,393	28,861	25,798	47,545	63,358	50,288	41,258	28,881	20,216	1,715,033	
= Profit before proc all	0	0	0	43,414	43,414	43,414	446,117	379,479	337,156	289,593	363,555	438,696	491,753	353,077	442,636	531,049	413,043	502,879	5,119,275	
- Processing Allowance	0	0	0	28,219	28,219	28,219	28,219	28,219	28,219	28,219	28,219	28,219	28,219	28,219	28,219	28,219	28,219	28,219	423,291	
= Taxable Income for Mining Tax	0	0	0	15,195	15,195	15,195	417,898	351,259	308,937	261,373	335,336	410,477	463,533	324,857	414,417	502,829	384,824	474,659	4,695,984	
Mining tax	0	0	0	2,279	2,279	2,279	62,685	52,689	46,340	39,206	50,300	61,571	69,530	48,729	62,163	75,424	57,724	71,199	704,398	
Provincial Mining Tax	0	0	0	10,964	12,301	13,688	62,685	52,689	46,340	39,206	50,300	61,571	69,530	48,729	62,163	75,424	57,724	71,199	734,513	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Development Expense	0	100,000	122,400	187,272	0	0	0	70,385	71,793	0	0	0	79,265	80,850	0	0	0	0	711,966	
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	820,709	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve																				
- Interest expense	3,636	11,946	21,909	27,776	22,673	17,354	11,808	6,027	0	0	0	0	0	0	0	0	0	0	123,130	
- Fed. Income Tax	0	0	0	0	0	0	-	9,796	47,174	38,850	47,438	56,415	46,495	31,859	61,440	70,037	55,474	65,940	530,917	
- Provincial Income Tax	0	0	0	42,924	25,517	1,046	5,819	13,599	39,145	32,514	39,413	46,624	45,059	33,507	50,735	57,644	44,379	52,752	530,678	
- Provincial Capital Tax	501	1,008	1,439	1,773	2,092	2,094	1,636	904	0	0	0	0	0	0	0	0	0	0	11,446	
- Provincial Mining Tax	0	0	0	10,964	12,301	13,688	62,685	52,689	46,340	39,206	50,300	61,571	69,530	48,729	62,163	75,424	57,724	71,199	734,513	
= Net Cash Flow from Operations, After Tax	-345,387	-436,255	-485,026	297,085	381,466	475,782	309,656	257,083	226,944	194,489	236,980	281,232	279,924	202,086	298,794	349,013	284,347	333,204	3,141,419	

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 20%IRR (NWT), After Tax																				
Newfoundland & Labrador																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307	
- Normal CCA	0	0	0	0	155,705	90,151	8,980	10,554	11,810	12,830	13,674	14,389	15,007	15,555	16,052	16,513	14,374	12,294	407,887	
- Accelerated CCA	0	0	0	0	62,490	249,503	0	0	0	0	0	0	0	0	0	0	0	0	311,993	
= Resource Profits	0	0	0	396,441	242,090	186,872	469,900	418,567	365,368	310,156	378,741	450,105	524,291	400,879	476,872	555,794	427,550	510,801	6,114,427	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Mining Royalty Deduction	0	0	0	2,005	17,196	65,312	49,647	42,133	34,012	45,485	57,241	67,214	47,005	59,219	71,849	51,436	65,164	732,447		
- CEE	0	0	0	0	95,571	352,131	287,185	-7,179	0	0	0	0	79,265	72,924	-8,085	0	0	0	871,811	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	85,232	
= Net Profit	0	0	0	366,791	202,328	8,716	48,488	75,736	330,415	276,144	333,257	392,864	377,812	280,950	425,738	483,946	376,114	445,637	4,424,936	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	366,791	202,328	8,716	48,488	75,736	330,415	276,144	333,257	392,864	377,812	280,950	425,738	483,946	376,114	445,637	4,424,936	
Basic Federal Income Tax	0	0	0	102,702	53,617	2,266	12,122	17,798	72,691	60,752	73,316	86,430	83,119	61,809	93,662	106,468	82,745	98,040	1,007,538	
Federal Income Surtax	0	0	0	4,108	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,108	
- Resource Income Tax Reduction	0	0	0	25,675	14,163	610	3,394	5,302	23,129	19,330	23,328	27,500	26,447	19,667	29,802	33,876	26,328	31,195	309,746	
- Atlantic ITC	0	0	0	60,294	1,624	1,656	1,689	1,723	1,757	1,793	1,828	1,865	1,902	1,940	1,979	2,019	0	0	82,071	
- Exploration Expense ITC	0	0	0	20,840	37,830	0	7,039	7,179	0	0	0	0	7,927	8,085	0	0	0	0	88,900	
Federal Income Tax	0	0	0	132,725	67,416	2,876	21,644	32,717	154,120	120,534	146,654	174,265	167,105	129,464	193,559	226,752	160,170	176,839	1,288,623	
Provincial Income Tax (\$000)																				
Taxable Income (from Federal Calc'n)	0	0	0	366,791	202,328	8,716	48,488	75,736	330,415	276,144	333,257	392,864	377,812	280,950	425,738	483,946	376,114	445,637	4,424,936	
Provincial Income Tax	0	0	0	51,351	28,326	1,220	6,788	10,603	46,258	38,660	46,656	55,001	52,894	39,333	59,603	67,752	52,656	62,389	619,491	
Provincial Mining Tax (\$000)																				
Net Operating Revenue	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307	
- Exploration Allowance	0	0	0	13,276	216,254	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Depreciation Allowance	0	0	0	320,044	72,754	58,666	48,181	40,401	34,651	30,426	27,346	25,126	23,554	22,469	21,751	21,311	18,507	13,880	779,069	
- Preproduction Allowance	0	0	0	27,311	27,311	27,311	33,177	39,704	39,704	39,704	39,704	39,704	39,704	52,914	69,084	69,084	69,084	69,084	69,084	
- Provincial royalties, rental and charge	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Profit before proc all	0	0	0	35,809	143,965	440,548	397,523	349,016	302,823	252,856	325,366	399,664	462,829	324,881	402,088	481,911	354,333	440,131	5,113,743	
- Processing Allowance	0	0	0	23,276	23,990	24,719	25,462	26,220	26,994	27,782	28,587	29,408	30,245	31,098	31,969	32,858	32,858	32,858	428,324	
= Net Income	0	0	0	12,533	119,975	415,829	372,061	322,795	275,829	225,074	296,779	370,256	432,584	293,783	370,119	449,054	321,475	407,273	4,685,419	
- 3rd party royalty, not to the province, or	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- 20% of net income for mining tax	0	0	0	2,507	23,995	83,166	74,412	64,559	55,166	45,015	59,356	74,051	86,517	58,757	74,024	89,811	64,295	81,455	937,084	
= Taxable Income for Pt (a) Mining Tax	0	0	0	10,027	95,980	332,663	297,649	258,236	220,663	180,059	237,423	296,205	346,068	235,026	296,095	359,243	257,180	325,818	3,748,335	
Pt (a) base mining tax	0	0	0	1,504	14,397	49,899	44,647	38,735	33,099	27,009	35,613	44,431	51,910	35,254	44,414	53,886	38,577	48,873	562,250	
Prov. corp income tax (for credit)	0	0	0	28,326	1,220	6,788	10,603	46,258	38,660	46,656	55,001	52,894	0	0	0	0	0	0	0	
- Prov. Income tax credit (max \$2000)	0	0	0	2,000	1,220	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	0	0	0	0	0	17,220	
Pt (a) mining tax	0	0	0	1,504	12,397	48,679	42,647	36,735	31,099	25,009	33,613	42,431	49,910	35,254	44,414	53,886	38,577	48,873	545,030	
Net income base for Pt (b) mining tax	0	0	0	2,507	23,995	83,166	74,412	64,559	55,166	45,015	59,356	74,051	86,517	58,757	74,024	89,811	64,295	81,455	937,084	
- 3rd party royalty, not to the province	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable income for mineral rights tax	0	0	0	2,507	23,995	83,166	74,412	64,559	55,166	45,015	59,356	74,051	86,517	58,757	74,024	89,811	64,295	81,455	937,084	
Pt (b) mining tax	0	0	0	501	4,799	16,633	14,882	12,912	11,033	9,003	11,871	14,810	17,303	11,751	14,805	17,962	12,859	16,291	187,417	
Provincial Mining Tax	0	0	0	2,005	17,196	65,312	57,530	49,647	42,133	34,012	45,485	57,241	67,214	47,005	59,219	71,849	51,436	65,164	732,447	
(Royalty Holder) Mineral Rights Tax (\$000)																				
Royalty income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
#DIV/0!	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable income for mineral rights tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Provincial Mineral Rights Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Development Expense	0	100,000	122,400	187,272	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	711,966	
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	20,188	0	0	820,709	
Environmental reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	122,573	
- Fed. Income Tax	0	0	0	0	0	0	3,594	47,805	39,629	48,160	57,065	46,843	32,117	61,881	70,573	56,417	66,846	530,930		
- Provincial Income Tax	0	0	0	51,351	28,326	1,220	6,788	10,603	46,258	38,660	46,656	55,001	52,894	39,333	59,603	67,752	52,656	62,389	619,491	
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Mining Tax	0	0	0	2,005	17,196	65,312	57,530	49,647	42,133	34,012	45,485	57,241	67,214	47,005	59,219	71,849	51,436	65,164	732,447	
= Net Cash Flow from Operations, After Tax	-344,876																			

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June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 20%IRR (NWT), After Tax																				
Yukon																				
Proposed Royalty, 12% maximum rate + Modernization, March 2008 Discussion Paper																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307	
- Normal CCA	0	0	0	73,374	138,953	43,012	10,357	12,033	13,375	14,469	15,378	16,151	16,822	17,420	17,965	18,471	16,377	12,283	436,440	
- Accelerated CCA	0	0	0	0	261,211	104,335	0	0	0	0	0	0	0	0	0	0	0	0	365,546	
= Resource Profits	0	0	0	323,066	60,121	379,178	468,524	417,087	363,802	308,517	377,037	448,343	522,475	399,014	474,960	553,836	425,547	510,813	6,032,321	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Territorial Mining Royalty Deduction	0	0	0	30,186	37,555	45,206	30,738	24,288	26,354	23,145	38,481	47,089	46,511	31,534	50,371	59,852	44,530	54,602	590,441	
- CEE	0	0	0	0	0	316,701	353,432	64,754	-7,179	0	0	0	0	79,265	72,924	-8,085	0	0	871,811	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	85,232	
= Net Profit	0	0	0	265,236	-	72,602	322,047	344,628	285,371	338,557	401,254	396,699	294,557	432,674	493,984	381,017	456,210	4,484,836		
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	265,236	0	72,602	322,047	344,628	285,371	338,557	401,254	396,699	294,557	432,674	493,984	381,017	456,210	4,484,836		
Basic Federal Income Tax	0	0	0	74,266	0	18,150	75,681	75,818	62,782	74,482	88,276	87,274	64,802	95,188	108,677	83,824	100,366	1,009,587		
Federal Income Surtax	0	0	0	2,971	0	0	0	0	0	0	0	0	0	0	0	0	0	2,971		
- Resource Income Tax Reduction	0	0	0	18,567	0	5,082	22,543	24,124	19,976	23,699	28,088	27,769	20,619	30,287	34,579	26,671	31,935	313,939		
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
- Exploration Expense ITC	0	0	0	58,670	0	7,039	7,179	0	0	0	0	7,927	8,085	0	0	0	0	88,900		
Federal Income Tax	0	0	0	0	0	6,030	45,958	51,694	42,806	50,784	60,188	51,578	36,098	64,901	74,098	57,152	68,432	609,719		
Territorial Income Tax (\$000)																				
Taxable Income (from Federal Calc'n)	0	0	0	265,236	0	72,602	322,047	344,628	285,371	338,557	401,254	396,699	294,557	432,674	493,984	381,017	456,210	4,484,836		
Territorial Income Tax	0	0	0	39,785	0	10,890	48,307	51,694	42,806	50,784	60,188	59,505	44,184	64,901	74,098	57,152	68,432	672,725		
Quartz Mining Act Royalty (\$000)																				
Gross value of metal sales	0	0	0	548,194	615,073	684,409	639,922	593,382	544,725	493,884	566,732	642,296	720,656	601,420	681,610	764,766	638,232	723,330	9,458,631	
- Post-site product transport costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Smelter & refinery charges	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Net revenue for royalty	0	0	0	548,194	615,073	684,409	639,922	593,382	544,725	493,884	566,732	642,296	720,656	601,420	681,610	764,766	638,232	723,330	9,458,631	
- Operating costs	0	0	0	151,753	154,788	157,884	161,041	164,262	167,547	170,898	174,316	177,803	181,359	184,986	188,685	192,459	196,308	200,235	2,624,323	
- Current exploration costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Current mine development costs	0	0	0	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	302,294		
- Pre-production Development Allowan	0	0	0	42,613	42,613	42,613	42,613	42,613	42,613	42,613	42,613	42,613	42,613	42,613	42,613	42,613	42,613	42,613	639,202	
- Depreciation Allowance	0	0	0	90,442	92,877	95,361	97,895	100,480	103,116	75,658	17,294	17,640	17,993	18,353	18,720	19,094	16,387	13,626	794,935	
- Community Ec Development Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Net Income for Royalty	0	0	0	263,386	324,795	388,550	267,987	214,234	231,448	204,715	332,508	404,240	399,426	274,618	431,591	510,599	382,923	466,855	5,097,877	
Territorial Mining Royalty	0	0	0	30,186	37,555	45,206	30,738	24,288	26,354	23,145	38,481	47,089	46,511	31,534	50,371	59,852	44,530	54,602	590,441	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Development Expense	0	100,000	122,400	187,272	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	711,966	
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	820,709	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve																				
- Interest expense	3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	122,573	
- Fed. Income Tax	0	0	0	0	0	6,030	45,958	51,694	42,806	50,784	60,188	51,578	36,098	64,901	74,098	57,152	68,432	609,719		
- Territorial Income Tax	0	0	0	39,785	0	10,890	48,307	51,694	42,806	50,784	60,188	59,505	44,184	64,901	74,098	57,152	68,432	672,725		
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Territorial Mining Tax	0	0	0	30,186	37,555	45,206	30,738	24,288	26,354	23,145	38,481	47,089	46,511	31,534	50,371	59,852	44,530	54,602	590,441	
= Net Cash Flow from Operations, After Tax	-344,876	-435,203	-483,489	282,907	383,928	447,487	332,193	215,545	229,861	196,303	234,083	278,378	283,415	204,364	292,959	344,072	283,088	331,630	3,076,644	

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June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 20%IRR (NWT), After Tax																				
Western Australia																				
Australia Federal Corporate Income Tax + Western Australia Diamond Royalty																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307	
- Depreciation	49,875	102,233	130,475	96,108	72,147	55,471	43,897	35,897	30,401	26,658	24,146	29,997	25,608	34,689	25,751	37,355	0	0	0	820,709
- Exploration Expenses	0	0	0	229,530	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Allowable Capital expenditures	0	0	0	40,967	36,870	33,183	36,904	40,393	36,353	36,353	36,353	36,353	49,564	65,734	65,734	65,734	65,734	65,734	65,734	711,966
- Interest	0	0	0	64,985	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	0	122,573
- Investment Allowance	0	0	0	60,294	1,624	1,656	1,689	1,723	1,757	1,793	1,828	1,865	1,902	1,940	1,979	2,019	0	0	0	82,071
- State Mining Royalty	0	0	0	41,115	46,130	63,425	63,315	55,987	50,724	48,650	75,796	93,674	110,431	78,276	94,372	110,719	81,383	99,647	1,113,644	
- R&D	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Net Profit	-49,875	-102,233	-130,475	-136,559	280,948	355,518	321,323	289,122	257,943	209,531	254,292	302,605	351,792	235,795	305,087	356,479	294,806	357,714	3,753,815	
- Losses Carried Forward	0	0	0	0	280,948	138,194	0	0	0	0	0	0	0	0	0	0	0	0	0	419,142
= Taxable Income	0	0	0	0	0	0	321,323	289,122	257,943	209,531	254,292	302,605	351,792	235,795	305,087	356,479	294,806	357,714	3,753,815	
Federal Income Tax	0	0	0	0	0	65,197	96,397	86,737	77,383	62,859	76,287	90,781	105,538	70,739	91,526	106,944	88,442	107,314	1,126,144	
State Diamond Royalty (\$000)																				
Net Sales (sales - post-site charges)	0	0	0	548,194	615,073	684,409	639,922	593,382	544,725	493,884	566,732	642,296	720,656	601,420	681,610	764,766	638,232	723,330	9,458,631	
Tier I Ad Valorem Minimum Royalty	0	0	0	41,115	46,130	51,331	47,994	44,504	40,854	37,041	42,505	48,172	54,049	45,107	51,121	57,357	47,867	54,250	709,397	
Net Operating Revenue	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307	
- Depreciation on Allowable Capital Expenses	53,250	111,960	166,298	136,222	112,225	93,092	91,929	91,348	76,593	64,860	55,545	48,166	48,492	68,543	73,491	80,220	80,220	80,220	1,532,674	
- Exploration Expenses	0	0	0	229,530	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530
- Interest	0	0	0	64,985	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	0	122,573
- R&D	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Net Profit	-53,250	-111,960	-166,298	-34,296	325,495	416,162	375,200	331,774	300,584	258,126	336,871	416,328	490,805	347,892	419,433	492,087	361,703	442,875	4,949,530	
- Losses Carried Forward	0	0	0	0	325,495	40,309	0	0	0	0	0	0	0	0	0	0	0	0	0	365,804
= Above-zero Profit	0	0	0	0	0	375,853	375,200	331,774	300,584	258,126	336,871	416,328	490,805	347,892	419,433	492,087	361,703	442,875	4,949,530	
Base Net Profits Royalty	0	0	0	0	0	84,567	84,420	74,649	67,631	58,078	75,796	93,674	110,431	78,276	94,372	110,719	81,383	99,647	1,113,644	
- Past Ad Valorem Royalty Offset	0	0	0	0	0	21,142	21,105	18,662	16,908	9,428	0	0	0	0	0	0	0	0	0	87,245
Tier II Net Profits Royalty	0	0	0	0	0	63,425	63,315	55,987	50,724	48,650	75,796	93,674	110,431	78,276	94,372	110,719	81,383	99,647	1,026,399	
Royalty	0	0	0	41,115	46,130	63,425	63,315	55,987	50,724	48,650	75,796	93,674	110,431	78,276	94,372	110,719	81,383	99,647	1,113,644	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530
- Development Expense	0	100,000	122,400	187,272	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	0	711,966
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	820,709
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense	3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	0	122,573
- Fed. Income Tax	0	0	0	0	0	65,197	96,397	86,737	77,383	62,859	76,287	90,781	105,538	70,739	91,526	106,944	88,442	107,314	1,126,144	
- Provincial Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- State Mining Royalty	0	0	0	41,115	46,130	63,425	63,315	55,987	50,724	48,650	75,796	93,674	110,431	78,276	94,372	110,719	81,383	99,647	1,113,644	
= Net Cash Flow from Operations, After Tax	-344,876	-435,203	-483,489	311,764	375,352	364,070	220,139	191,375	231,496	193,550	222,047	261,388	225,040	167,166	287,233	334,456	272,099	316,134	2,709,741	

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June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 20%IRR (NWT), After Tax																				
South Australia																				
Australia Federal Corporate Income Tax + South Australia Base Metal Royalty																				
Federal Income Tax (\$000)																				
Net Operating Revenue		0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307
- Depreciation		49,875	102,233	130,475	96,108	72,147	55,471	43,897	35,897	30,401	26,658	24,146	29,997	25,608	34,689	25,751	37,355	0	0	820,709
- Exploration Expenses		0	0	0	229,530	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Allowable Capital expenditures		0	0	0	40,967	36,870	33,183	36,904	40,393	36,353	36,353	36,353	36,353	49,564	65,734	65,734	65,734	65,734	65,734	711,966
- Interest		0	0	0	64,985	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	122,573
- Investment Allowance		0	0	0	60,294	1,624	1,656	1,689	1,723	1,757	1,793	1,828	1,865	1,902	1,940	1,979	2,019	0	0	82,071
- State Mining Royalty		0	0	0	8,223	9,226	10,266	9,599	20,768	19,065	17,286	19,836	22,480	25,223	21,050	23,856	26,767	22,338	25,317	281,300
- R&D		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Net Profit		-49,875	-102,233	-130,475	-103,667	317,853	408,677	375,039	324,341	289,601	240,896	310,252	373,798	437,001	293,021	375,604	440,432	353,851	432,044	4,586,159
- Losses Carried Forward		0	0	0	0	317,853	68,398	0	0	0	0	0	0	0	0	0	0	0	0	386,250
= Taxable Income		0	0	0	0	0	340,279	375,039	324,341	289,601	240,896	310,252	373,798	437,001	293,021	375,604	440,432	353,851	432,044	4,586,159
Federal Income Tax		0	0	0	0	0	102,084	112,512	97,302	86,880	72,269	93,076	112,139	131,100	87,906	112,681	132,130	106,155	129,613	1,375,848
State Royalty (\$000)																				
Mine Revenue (sales - post-site charges)		0	0	0	548,194	615,073	684,409	639,922	593,382	544,725	493,884	566,732	642,296	720,656	601,420	681,610	764,766	638,232	723,330	9,458,631
- prescribed costs		<i>already deducted for revenue value</i>																		
Proceeds for royalty		0	0	0	548,194	615,073	684,409	639,922	593,382	544,725	493,884	566,732	642,296	720,656	601,420	681,610	764,766	638,232	723,330	9,458,631
Royalty		0	0	0	8,223	9,226	10,266	9,599	0	0	0	0	0	0	0	0	0	0	0	37,314
at reduced rate for 1st 5 yr		0	0	0	0	0	0	0	20,768	19,065	17,286	19,836	22,480	25,223	21,050	23,856	26,767	22,338	25,317	243,986
on remainder		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Royalty		0	0	0	8,223	9,226	10,266	9,599	20,768	19,065	17,286	19,836	22,480	25,223	21,050	23,856	26,767	22,338	25,317	281,300
Cash Flow from Operations (\$000)																				
Net operating revenue		0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307
- Property Acquisition		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense		0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530
- Development Expense		0	100,000	122,400	187,272	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	711,966
- Capital Plant & Infrastructure		0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	820,709
- Working Capital (withdrawal is -ve)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense		3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	122,573
- Fed. Income Tax		0	0	0	0	0	102,084	112,512	97,302	86,880	72,269	93,076	112,139	131,100	87,906	112,681	132,130	106,155	129,613	1,375,848
- Provincial Income Tax		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Provincial Capital Tax		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- State Mining Royalty		0	0	0	8,223	9,226	10,266	9,599	20,768	19,065	17,286	19,836	22,480	25,223	21,050	23,856	26,767	22,338	25,317	281,300
= Net Cash Flow from Operations, After Tax		-344,876	-435,203	-483,489	344,655	412,257	380,342	257,740	216,028	253,657	215,505	261,220	311,223	284,686	207,224	336,595	393,223	313,430	368,165	3,292,382

Appendix 6a - Diamond20.xls

June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 20%IRR (NWT), After Tax Sweden																				
Federal Income Tax (\$000)																				
Net Operating Revenue		0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307
- Depreciation		49,875	102,233	130,475	96,108	72,147	55,471	43,897	35,897	30,401	26,658	24,146	29,997	25,608	34,689	25,751	37,355	0	0	820,709
- Exploration Expenses		0	0	0	229,530	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Allowable Capital expenditures		0	0	0	40,967	36,870	33,183	36,904	40,393	36,353	36,353	36,353	36,353	49,564	65,734	65,734	65,734	65,734	65,734	711,966
- Interest		0	0	0	64,985	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	122,573
- Investment Allowance		0	0	0	60,294	1,624	1,656	1,689	1,723	1,757	1,793	1,828	1,865	1,902	1,940	1,979	2,019	0	0	82,071
- State Mining Royalty		0	0	0	1,096	1,230	1,369	1,280	1,187	1,089	988	1,133	1,285	1,441	1,203	1,363	1,530	1,276	1,447	18,917
- R&D		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Net Profit		-49,875	-102,233	-130,475	-96,541	325,848	417,574	383,358	343,922	307,577	257,194	328,954	394,994	460,782	312,868	398,097	465,669	374,913	455,914	4,848,541
- Losses Carried Forward		0	0	0	0	325,848	53,275	0	0	0	0	0	0	0	0	0	0	0	0	379,124
= Taxable Income		0	0	0	0	0	364,299	383,358	343,922	307,577	257,194	328,954	394,994	460,782	312,868	398,097	465,669	374,913	455,914	4,848,541
Federal Income Tax		0	0	0	0	0	102,004	107,340	96,298	86,122	72,014	92,107	110,598	129,019	87,603	111,467	130,387	104,976	127,656	1,357,592
Royalty (\$000)																				
Mine Revenue (sales - post-site charges)		0	0	0	548,194	615,073	684,409	639,922	593,382	544,725	493,884	566,732	642,296	720,656	601,420	681,610	764,766	638,232	723,330	9,458,631
- prescribed costs																				0
Proceeds for royalty		0	0	0	548,194	615,073	684,409	639,922	593,382	544,725	493,884	566,732	642,296	720,656	601,420	681,610	764,766	638,232	723,330	9,458,631
Royalty		0	0	0	1,096	1,230	1,369	1,280	1,187	1,089	988	1,133	1,285	1,441	1,203	1,363	1,530	1,276	1,447	18,917
Cash Flow from Operations (\$000)																				
Net operating revenue		0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307
- Property Acquisition		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense		0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530
- Development Expense		0	100,000	122,400	187,272	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	711,966
- Capital Plant & Infrastructure		0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	820,709
- Working Capital (withdrawal is -ve)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Interest expense		3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	122,573
- Fed. Income Tax		0	0	0	0	0	102,004	107,340	96,298	86,122	72,014	92,107	110,598	129,019	87,603	111,467	130,387	104,976	127,656	1,357,592
- Fed. Large Corp. Tax		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Provincial Capital Tax		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- State Mining Royalty		0	0	0	1,096	1,230	1,369	1,280	1,187	1,089	988	1,133	1,285	1,441	1,203	1,363	1,530	1,276	1,447	18,917
= Net Cash Flow from Operations, After Tax		-344,876	-435,203	-483,489	351,782	420,253	389,320	271,231	236,614	272,392	232,057	280,890	333,960	310,549	227,374	360,302	420,202	335,672	393,993	3,573,021

Larger Scale Diamond Mine, 20%IRR (NWT), After Tax
USA, Alaska

Royalty: Alaska Mining License Tax and Production Royalty

Federal Income Tax (\$000)	initial	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total	
Net Revenue	0	0	0	0	548,194	615,073	684,409	639,922	593,382	544,725	493,884	566,732	642,296	720,656	601,420	681,610	764,766	638,232	723,330	9,458,631	
- Operating Costs	0	0	0	0	151,753	154,788	157,884	161,041	164,262	167,547	170,898	174,316	177,803	181,359	184,986	188,685	192,459	196,308	200,235	2,624,323	
Gross Income	0	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307	
Net assets for depreciation	0																			0	
New exploration/acquisition to be amortized	0	75,000	76,500	78,030	0															229,530	
Net exploration expense pool	0	60,000	106,200	138,324	92,418	46,512	15,606		0	0	0	0	0	0	0	0	0	0	0	459,060	
New development to be amortized	0	100,000	122,400	187,272	0	0	21,116	21,538	0	0	0	0	0	23,780	24,255	0	0	0	0	500,360	
Net development expense pool	0	80,000	157,920	263,258	181,323	99,389	37,454	16,892	29,900	21,369	12,838	4,308	-	19,024	33,672	24,065	14,458	4,851	0	1,000,720	
- Depreciation				4,549	12,437	18,254	22,595	25,890	29,248	32,676	34,749	35,444	36,153	36,876	37,614	38,366	33,248	23,827	23,827	412,928	
- Current exploration expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Amortized exploration expense	15,000	30,300	45,906	45,906	45,906	30,906	15,606													229,530	
- Current development expense		0	0	0	0	0	49,270	50,255	0	0	0	0	55,486	56,595	0	0	0	0	0	211,605	
- Amortized development expense	20,000	44,480	81,934	81,934	81,934	61,934	41,678	8,531	8,531	8,531	8,531	4,308	4,308	4,756	9,607	9,607	9,607	9,607	4,851	500,360	
- Interest Expense		0	0	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	0	85,232	
- State Income Tax		0	0	3,418	8,680	25,663	21,095	22,272	23,534	19,341	24,121	29,613	29,663	20,256	30,987	36,605	27,736	34,863		357,846	
- State Mining License Tax		0	0	0	0	0	12,289	21,257	18,127	14,867	18,556	22,488	26,015	18,715	22,757	26,954	20,274	25,281		247,580	
- State Royalty		0	0	0	9,224	10,525	11,946	10,533	9,110	7,769	6,372	7,953	9,638	11,149	8,021	9,753	11,552	8,689	10,835		143,066
- Environmental Tax		0	0	0	114	157	307	269	286	284	229	303	386	441	314	399	472	357	450		4,767
- Reclamation Reserve Deduction	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Reclamation Reserve Income																				0	
Depletable gross income					387,217	449,761	514,579	468,348	420,010	369,409	316,614	384,463	454,856	528,148	408,414	483,171	560,755	433,235	512,260	6,691,241	
Net income before depletion					223,651	278,080	360,244	293,794	285,521	289,685	240,971	298,204	362,617	375,634	266,051	381,807	448,752	342,012	422,988	4,870,011	
Additions to depletable cost of property	0	241,250	300,900	274,406	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	1,050,239	
Unit cost of additions to depletable property																				0	
Depletable cost of property	0	241,250	542,150	816,556	832,474	848,710	865,271	882,164	899,394	916,969	934,895	953,180	971,831	990,854	1,010,259	1,030,051	1,050,239	1,050,239	1,050,239	724,017	
Unreduced cost depletion					34,346	39,359	44,785	42,874	40,757	38,404	35,785	42,266	49,405	57,323	49,595	58,468	68,570	57,225	64,855		
Net depletion pool					747,286	664,575	567,929	481,785	406,613	342,918	291,189	224,892	143,474	46,305	0	0	0	0	0	0	
Cost depletion	0	0	0	0	34,346	39,359	44,785	42,874	40,757	38,404	35,785	42,266	49,405	57,323	46,305	2,261	2,968	0	0	476,839	
% depletion					85,188	98,947	113,207	103,036	92,402	81,270	69,655	84,582	100,068	116,193	89,851	106,298	123,366	95,312	112,697		
- Depletion Allowance					85,188	98,947	113,207	103,036	92,402	81,270	69,655	84,582	100,068	116,193	89,851	106,298	123,366	95,312	112,697		
= Taxable income before sp. dedns		-35,000	-74,780	-127,840	138,463	179,133	247,037	190,758	193,119	208,415	171,316	213,622	262,549	259,442	176,200	275,509	325,386	246,701	310,290	3,160,318	
- Losses carried forward		0	0	0	138,463	99,158	0	0	0	0	0	0	0	0	0	0	0	0	0	237,620	
- Losses carried back																				0	
cumulative operating losses, prior years		35,000	109,780	237,620	99,158	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income		0	0	0	0	79,975	247,037	190,758	193,119	208,415	171,316	213,622	262,549	259,442	176,200	275,509	325,386	246,701	310,290	3,160,318	
Regular Federal Income Tax		0	0	0	0	27,991	86,463	66,765	67,592	72,945	59,960	74,768	91,892	90,805	61,670	96,428	113,885	86,345	108,602	1,106,111	
Alternative Minimum Tax Calculation																					
Regular taxable income	0	0	0	0	0	79,975	247,037	190,758	193,119	208,415	171,316	213,622	262,549	259,442	176,200	275,509	325,386	246,701	310,290	3,160,318	
+ excess % depletion		0	0	0	50,842	59,589	68,422	60,162	51,645	42,865	33,870	42,316	50,664	58,869	40,256	47,829	54,796	38,087	47,842	748,056	
depreciation claimed above		0	0	0	4,549	12,437	18,254	22,595	25,890	29,248	32,676	34,749	35,444	36,153	36,876	37,614	38,366	33,248	23,827	412,928	
net assets for depreciation	0	249,375	585,975	880,538	775,174	574,558	431,703	330,116	257,911	183,794	107,544	65,334	71,031	72,451	73,900	75,378	76,886	51,950	34,079	4,902,000	
150% decl bal depreciation					129,241	224,972	167,697	126,926	98,050	100,480	103,139	65,334	26,583	27,115	27,657	28,210	28,774	24,936	17,870	1,196,984	
+ depreciation adjustment		0	0	0	-124,692	-212,535	-149,443	-104,330	-72,159	-71,232	-70,463	-30,585	8,861	9,038	9,219	9,403	9,591	8,312	5,957	-775,056	
current expl/mine dev claimed above	0	0	0	0	0	0	0	49,270	50,255	0	0	0	55,486	56,595	0	0	0	0	0	211,605	
net expl/mine dev for amortization	0	0	0	0	0	0	0	44,343	84,645	74,693	64,740	54,788	44,835	84,820	120,255	99,094	77,934	61,700	50,492	862,338	
current expl/mine dev amortized	0	0	0	0	0	0	0	4,927	9,952	9,952	9,952	9,952	15,501	21,161	21,161	21,161	16,234	11,208		161,114	
+ exploration/development adjustment		0	0	0	0	0	0	44,343	40,303	-9,952	-9,952	-9,952	-9,952	39,985	35,435	-21,161	-21,161	-16,234	-11,208	50,492	
AMTI before current earnings adjustment		0	0	0	-73,849	-72,971	166,016	190,933	212,907	170,096	124,770	215,400	312,121	367,334	261,111	311,581	368,613	276,866	352,882	3,183,810	
+ adj current earnings adjustment		0	0	0	168,801	203,599	89,201	33,008	24,852	66,025	65,515	36,865	9,415	0	20,869	24,266	20,168	21,629		784,214	
AMTI before AMT/NOL adjustment		0	0	0	94,952	130,628	255,218	223,941	237,760	236,121	190,286	252,265	321,535	367,334	261,111	332,450	392,879	297,034	374,510	3,968,023	
- Losses carried forward		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
cumulative operating losses, prior years		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Larger Scale Diamond Mine, 20%IRR (NWT), After Tax

USA, Alaska

Royalty: Alaska Mining License Tax and Production Royalty

Alternative minimum taxable income	0	0	0	94,952	130,628	255,218	223,941	237,760	236,121	190,286	252,265	321,535	367,334	261,111	332,450	392,879	297,034	374,510	3,968,023	
Tentative alternative minimum tax	0	0	0	18,990	26,126	51,044	44,788	47,552	47,224	38,057	50,453	64,307	73,467	52,222	66,490	78,576	59,407	74,902	793,605	
- AMT exemption amount	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Regular income tax	0	0	0	27,991	86,463	66,765	67,592	72,945	59,960	74,768	91,892	90,805	61,670	96,428	113,885	86,345	108,602	1,106,111	1,106,111	
Alternative minimum tax	0	0	0	18,990	0	0	0	0	0	0	0	0	0	0	0	0	0	0	18,990	
Environmental Tax																				
Alternative minimum taxable income	0	0	0	94,952	130,628	255,218	223,941	237,760	236,121	190,286	252,265	321,535	367,334	261,111	332,450	392,879	297,034	374,510	3,968,023	
+ environmental tax deducted in calcs	0	0	0	114	157	307	269	286	284	229	303	386	441	314	399	472	357	450	4,767	
- exemption	0	0	0	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	30	
Environmental taxable income	0	0	0	95,064	130,783	255,522	224,208	238,043	236,403	190,512	252,567	321,920	367,773	261,422	332,847	393,349	297,389	374,958	3,972,761	
Environmental tax	0	0	0	114	157	307	269	286	284	229	303	386	441	314	399	472	357	450	4,767	
Federal Income Tax	0	0	0	19,104	28,148	86,770	67,034	67,877	73,229	60,189	75,071	92,278	91,246	61,984	96,828	114,357	86,702	109,052	1,129,869	
Alaska Income Tax (\$000)																				
Gross Income	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307	
- Depreciation	0	0	0	4,549	12,437	18,254	22,595	25,890	29,248	32,676	34,749	35,444	36,153	36,876	37,614	38,366	33,248	23,827	421,928	
- Current exploration expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Amortized exploration expense	0	15,000	30,300	45,906	45,906	30,906	15,606	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Current development expense	0	0	0	0	0	0	49,270	50,255	0	0	0	0	55,486	56,595	0	0	0	0	211,605	
- Amortized development expense	0	20,000	44,480	81,934	81,934	61,934	41,678	8,531	8,531	8,531	8,531	4,308	4,756	9,607	9,607	9,607	9,607	4,851	500,360	
- Interest Expense	0	0	0	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	85,232	
- State Income Tax	0	0	0	9,224	10,525	11,946	10,533	9,110	7,769	6,372	7,953	9,638	11,149	8,021	9,753	11,552	8,689	10,835	143,066	
- Reclamation Reserve Deduction	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Reclamation Reserve Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Depletable gross income	0	0	0	387,217	449,761	514,579	468,348	420,010	369,409	316,614	384,463	454,856	528,148	408,414	483,171	560,755	433,235	512,260	6,691,241	
Net income before depletion	0	0	0	227,183	286,917	386,214	327,447	329,336	331,630	275,407	341,183	415,104	431,754	305,336	435,951	512,783	390,380	483,582	5,480,206	
Additions to depletable cost of property	0	241,250	300,900	274,406	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	1,050,239	
Unit cost of additions to depletable property	0																	0	0	
Depletable cost of property	0	241,250	542,150	816,556	832,474	848,710	865,271	882,164	899,394	916,969	934,895	953,180	971,831	990,854	1,010,259	1,030,051	1,050,239	1,050,239	1,050,239	
Unreduced cost depletion	0				42,880	40,949	38,829	36,496	33,923	39,956	46,538	53,746	46,261	54,218	63,064	54,748	64,855	66,152	67,475	
Net depletion pool	0				747,286	664,575	567,929	481,785	406,613	342,918	291,189	224,892	143,474	46,305	0	0	0	0	0	
Cost depletion	0				42,880	40,949	38,829	36,496	33,923	39,956	46,538	53,746	46,261	54,218	63,064	54,748	64,855	66,152	67,475	
% depletion	0				85,188	98,947	113,207	103,036	92,402	81,270	69,655	84,582	100,068	116,193	89,851	106,298	123,366	95,312	112,697	1,472,073
- Depletion Allowance	0	0	0	0	85,188	98,947	113,207	103,036	92,402	81,270	69,655	84,582	100,068	116,193	89,851	106,298	123,366	95,312	112,697	1,472,073
- Taxable income before sp. dedns	0	-35,000	-74,780	-127,840	141,995	187,970	273,006	224,410	236,933	250,360	205,752	256,601	315,036	315,561	215,485	329,653	389,416	295,068	370,885	3,770,512
- Losses carried forward	0	0	0	0	141,995	95,625	0	0	0	0	0	0	0	0	0	0	0	0	0	237,620
- Losses carried back	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
cumulative operating losses, prior years	35,000	109,780	237,620	95,625	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
cumulative operating losses, future years	0	0	0	0	92,345	273,006	224,410	236,933	250,360	205,752	256,601	315,036	315,561	215,485	329,653	389,416	295,068	370,885	3,770,512	
Alaska taxable income	0	0	0	0	8,680	25,663	21,095	22,272	23,534	19,341	24,121	29,613	29,663	20,256	30,987	36,605	27,736	34,863	354,428	
Regular Alaska income tax	0	0	0	0	8,680	25,663	21,095	22,272	23,534	19,341	24,121	29,613	29,663	20,256	30,987	36,605	27,736	34,863	354,428	
Alaska Alternative Minimum Tax																			0	
Regular Alaska taxable income	0	0	0	0	92,345	273,006	224,410	236,933	250,360	205,752	256,601	315,036	315,561	215,485	329,653	389,416	295,068	370,885	3,770,512	
+ excess % depletion	0	0	0	0	50,842	59,589	68,422	60,162	51,645	42,865	33,870	42,316	50,664	58,869	40,256	54,796	38,087	47,842	748,056	
+ depreciation adjustment	0	0	0	0	-124,692	-212,535	-149,443	-104,330	-72,159	-71,232	-70,463	-30,585	8,861	9,038	9,219	9,403	9,591	8,312	5,957	-775,056
+ exploration/development adjustment	0	0	0	0	0	0	44,343	40,303	-9,952	-9,952	-9,952	-9,952	39,985	35,435	-21,161	-21,161	-16,234	-11,208	50,492	
AMTI before current earnings adjustment	0	0	0	0	-73,849	-60,601	191,986	224,585	256,722	212,041	159,207	258,380	364,608	423,453	300,395	365,725	432,643	325,233	413,476	3,794,004
+ adj current earnings adjustment	0	0	0	0	168,801	194,322	69,725	7,769	0	34,566	39,688	4,630	0	0	0	0	0	0	0	519,501
AMTI before AMT/NOL adjustment	0	0	0	0	94,952	133,721	261,710	232,354	256,722	246,607	198,895	263,010	364,608	423,453	300,395	365,725	432,643	325,233	413,476	4,313,505
- AMT/NOL Losses carried forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
cumulative operating losses, prior years	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Alternative minimum taxable income	0	0	0	0	94,952	133,721	261,710	232,354	256,722	246,607	198,895	263,010	364,608	423,453	300,395	365,725	432,643	325,233	413,476	4,313,505
Tentative alternative minimum tax	0	0	0	0	3,418	4,814	9,422	8,365	9,242	8,878	7,160	9,468	13,126	15,244	10,814	13,166	15,575	11,708	14,885	155,286
- AMT exemption amount	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Regular income tax	0	0	0	0	8,680	25,663	21,095	22,272	23,534	19,341	24,121	29,613	29,663	20,256	30,987	36,605	27,736	34,863	354,428	
Alternative minimum tax	0	0	0	0	3,418	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,418
Alaska Income Tax	0	0	0	0	3,418	8,680	25,663	21,095	22,272	23,534	19,341	24,121	29,613	29,663	20,256	30,987	36,605	27,736	34,863	357,846

Larger Scale Diamond Mine, 20%IRR (NWT), After Tax
USA, Alaska

Royalty: Alaska Mining License Tax and Production Royalty

Alaska Mining License Tax and Production Royalty (\$000)	2,005	2,006	2,007	2,008	2,009	2,010	2,011	2,012	2,013	2,014	2,015	2,016	2,017	2,018	2,019	2,020	2,021	Total		
Alaska Mining License Tax																				
Gross Income	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307	
- Treatment process deduction																			0	
= Net Income	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307	
Exploration/development expenses	0	175,000	198,900	265,302	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	941,496	
Net exploration/development pool	0	175,000	373,900	639,202	612,852	583,287	550,390	585,849	621,087	587,530	557,104	522,191	482,623	509,612	539,521	481,788	417,010	362,951	301,684	8,903,582
Unit cost of new expl/dev	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Depreciation	0	0	0	4,549	12,437	18,254	22,595	25,890	29,248	32,676	34,749	35,444	36,153	36,876	37,614	38,366	33,248	23,827	421,928	
- Amortized exploration expense				26,350	29,565	32,897	34,926	36,555	33,557	30,425	34,913	39,568	52,276	50,941	57,734	64,777	54,059	61,267	639,812	
= Net income before depletion		0	0	365,541	418,284	475,374	421,360	366,675	314,372	259,884	322,753	389,481	450,869	328,617	397,577	469,164	354,616	438,001	5,772,568	
Depletable cost of property	0	241,250	542,150	816,556	832,474	848,710	865,271	882,164	899,394	916,969	934,895	953,180	971,831	990,854	1,010,259	1,030,051	1,050,239	1,050,239	15,886,724	
Net depletion pool		241,250	542,150	816,556	774,391	723,163	662,538	609,178	563,407	525,570	496,005	456,620	407,042	346,844	304,986	252,302	188,377	123,392	46,553	46,553
Cost depletion		0	0	34,346	39,359	44,785	42,874	40,757	38,404	35,785	42,266	49,405	57,323	49,595	58,468	68,570	57,225	64,855	724,017	
% depletion				58,083	67,464	77,187	70,252	63,002	55,411	47,492	57,669	68,228	79,222	61,262	72,476	84,113	64,985	76,839	1,003,686	
- Interest Expense	0	0	0	58,083	67,464	77,187	70,252	63,002	55,411	47,492	57,669	68,228	79,222	61,262	72,476	84,113	64,985	76,839	1,003,686	
Mining license taxable income	0	0	0	307,459	350,819	398,187	351,108	303,673	258,961	212,392	265,084	321,253	371,646	267,355	325,101	385,051	289,631	361,162	4,768,882	
Alaska mining license tax	0	0	0	0	0	0	12,289	21,257	18,127	14,867	18,556	22,488	26,015	18,715	22,757	26,954	20,274	25,281	247,580	
Production Royalty																				
Net income for production royalty	0	0	0	307,459	350,819	398,187	351,108	303,673	258,961	212,392	265,084	321,253	371,646	267,355	325,101	385,051	289,631	361,162	4,768,882	
Alaska Production Royalty		0	0	9,224	10,525	11,946	10,533	9,110	7,789	6,372	7,953	9,638	11,149	8,021	9,753	11,552	8,689	10,835	143,066	
Alaska Mining License Tax and Royalty	0	0	0	9,224	10,525	11,946	22,822	30,367	25,896	21,239	26,508	32,125	37,165	26,735	32,510	38,505	28,963	36,116	390,647	
Cash Flow from Operations (\$000)																			Total	
Net operating revenue	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Development Expense	0	100,000	122,400	187,272	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	711,966	
- Capital Plant & Infrastructure	0	140,000	197,625	172,967	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	744,275	
- Infrastructure	0	26,250	26,775	23,409	0	0	0	0	0	0	0	0	0	0	0	0	0	0	76,434	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve																				
- Interest expense		3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	122,573	
- Fed. Income Tax	0	0	0	19,104	28,148	86,770	67,034	67,877	73,229	60,189	75,071	92,278	91,246	61,984	96,828	114,357	86,702	109,052	1,129,869	
- Provincial Income Tax	0	0	0	3,418	6,680	25,663	21,095	22,272	23,534	19,341	24,121	29,613	29,663	20,256	30,987	36,605	27,736	34,863	357,846	
- Provincial Capital Tax																				
- Provincial Mining Tax	0	0	0	9,224	10,525	11,946	22,822	30,367	25,896	21,239	26,508	32,125	37,165	26,735	32,510	38,505	28,963	36,116	390,647	
= Net Cash Flow	0	-344,876	-435,203	-483,489	321,132	374,130	368,315	268,900	213,582	236,944	204,290	248,431	291,826	282,936	207,205	312,807	362,652	298,522	3,071,167	

Larger Scale Diamond Mine, 20%IRR (NWT), After Tax
USA, Nevada

Federal Income Tax (\$000)	initial	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Net Revenue	0	0	0	0	548,194	615,073	684,409	639,922	593,382	544,725	493,884	566,732	642,296	720,656	601,420	681,610	764,766	638,232	723,330	9,458,631
- Operating Costs	0	0	0	0	151,753	154,788	157,884	161,041	164,262	167,547	170,898	174,316	177,803	181,359	184,986	188,685	192,459	196,308	200,235	2,624,323
Gross Income	0	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307
Net assets for depreciation	0																			0
New exploration/acquisition to be amortized	0	75,000	76,500	78,030	0															229,530
Net exploration expense pool	0	60,000	106,200	138,324	92,418	46,512	15,606	0	0	0	0	0	0	0	0	0	0	0	0	459,060
New development to be amortized	0	100,000	122,400	187,272	0	0	0	21,116	21,538	0	0	0	0	23,780	24,255	0	0	0	0	500,360
Net development expense pool	0	80,000	157,920	263,258	181,323	99,389	37,454	16,892	29,900	21,369	12,838	4,308	-	19,024	33,672	24,065	14,458	4,851	0	1,000,720
- Depreciation					4,549	12,437	18,254	22,595	25,890	29,248	32,676	34,749	35,444	36,153	36,876	37,614	38,366	33,248	23,827	421,928
- Current exploration expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Amortized exploration expense		15,000	30,300	45,906	45,906	45,906	30,906	15,606												229,530
- Current development expense		0	0	0	0	0	0	49,270	50,255	0	0	0	0	55,486	56,595	0	0	0	0	211,605
- Amortized development expense		20,000	44,480	81,934	81,934	81,934	61,934	41,678	8,531	8,531	8,531	8,531	4,308	4,756	9,607	9,607	9,607	9,607	4,851	500,360
- Interest Expense		0	0	0	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	85,232
- State Income Tax		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- State Mining License Tax		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- State Royalty		0	0	0	0	21,023	24,429	18,613	16,130	17,191	14,542	18,068	21,721	21,540	15,356	23,256	27,254	20,835	24,985	284,943
- Environmental Tax		0	0	0	113	162	313	278	300	295	238	315	423	496	352	423	500	376	479	5,062
- Reclamation Reserve Deduction	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Reclamation Reserve Income																				0
Depletable gross income					396,441	439,262	502,096	460,268	412,990	359,987	308,443	374,347	442,773	517,757	401,079	469,668	545,053	421,089	498,110	6,549,364
Net income before depletion					236,294	276,257	373,417	319,089	322,016	321,913	266,999	330,753	402,598	420,867	297,649	422,025	496,580	377,858	468,953	5,333,267
Additions to depletable cost of property	0	241,250	300,900	274,406	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	1,050,239
Unit cost of additions to depletable property	0																			0
Depletable cost of property	0	241,250	542,150	816,556	832,474	848,710	865,271	882,164	899,394	916,969	934,895	953,180	971,831	990,854	1,010,259	1,030,051	1,050,239	1,050,239	1,050,239	10,502,390
Unreduced cost depletion					34,346	39,359	44,785	42,874	40,757	38,404	35,785	42,266	49,405	57,323	49,595	58,468	68,570	57,225	64,855	724,017
Net depletion pool					745,257	664,855	570,956	486,589	412,961	351,339	301,408	237,337	158,577	63,694	0	0	0	0	0	0
Cost depletion	0	0	0	0	34,346	39,359	44,785	42,874	40,757	38,404	35,785	42,266	49,405	57,323	49,595	2,261	2,968	0	0	480,128
% depletion					87,217	96,638	110,461	101,259	90,858	79,197	67,858	82,356	97,410	113,907	88,237	103,327	119,912	92,640	109,584	1,440,860
- Depletion Allowance					87,217	96,638	110,461	101,259	90,858	79,197	67,858	82,356	97,410	113,907	88,237	103,327	119,912	92,640	109,584	1,440,860
= Taxable income before sp. dedns		-35,000	-74,780	-127,840	149,077	179,620	262,956	217,830	231,158	242,716	199,141	248,396	305,188	306,960	209,411	318,698	376,668	285,219	359,369	3,654,786
- Losses carried forward		0	0	0	149,077	88,544	0	0	0	0	0	0	0	0	0	0	0	0	0	237,620
- Losses carried back																				0
cumulative operating losses, prior years		35,000	109,780	237,620	88,544	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
cumulative operating losses, future years																				0
= Taxable Income		0	0	0	0	91,076	262,956	217,830	231,158	242,716	199,141	248,396	305,188	306,960	209,411	318,698	376,668	285,219	359,369	3,654,786
Regular Federal Income Tax		0	0	0	0	31,877	92,035	76,241	80,905	84,951	69,699	86,939	106,816	107,436	73,294	111,544	131,834	99,827	125,779	1,279,175

**Larger Scale Diamond Mine, 20%IRR (NWT), After Tax
USA, Nevada**

Cash Flow from Operations (\$000)

																				Total
Net operating revenue	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530
- Development Expense	0	100,000	122,400	187,272	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	0	711,966
- Capital Plant & Infrastructure	0	140,000	197,625	172,967	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	744,275
- Infrastructure	0	26,250	26,775	23,409	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	76,434
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Interest expense		3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	122,573
- Fed. Income Tax	0	0	0	0	18,900	32,038	92,348	76,519	81,205	85,246	69,937	87,254	107,239	107,932	73,646	111,967	132,334	100,202	126,258	1,303,025
- Provincial Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Provincial Capital Tax																				
- Provincial Mining Tax	0	0	0	0	21,023	24,429	18,613	16,130	17,191	14,542	18,068	21,721	21,540	15,356	23,256	27,254	20,835	24,985	284,943	
= Net Cash Flow	0	-344,876	-435,203	-483,489	333,978	368,422	375,916	284,720	236,763	257,166	220,579	268,809	316,883	311,537	227,179	337,909	392,531	320,887	371,852	3,361,562

Appendix 6a - Diamond20.xls

June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 20%IRR (NWT), After Tax																				
South Africa Corporate Income Tax + Diamond Royalty																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307	
- Capital Redemption Deduction	0	0	0	645,233	7,306	7,453	77,987	79,546	7,909	8,067	8,228	8,393	87,826	89,582	8,906	9,085	0	0	1,045,521	
- Exploration Expenses	0	0	0	229,530	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Allowable Capital expenditures	0	0	0	36,738	33,957	31,473	29,254	27,277	25,516	26,611	27,868	29,334	31,077	33,212	35,933	39,634	39,634	39,634	487,154	
- Interest	0	0	0	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	85,232	
- Mining Royalty	0	0	0	54,819	61,507	68,441	63,992	59,338	54,472	49,388	56,673	64,230	72,066	60,142	68,161	76,477	63,823	72,333	945,863	
- R&D	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Net Profit	0	0	0	-597,524	334,948	401,888	295,895	256,960	289,281	238,919	299,646	362,538	348,329	233,498	379,924	447,111	338,466	411,128	4,041,007	
- Losses Carried Forward	0	0	0	0	334,948	262,576	0	0	0	0	0	0	0	0	0	0	0	0	597,524	
= Taxable Income	0	0	0	0	0	139,312	295,895	256,960	289,281	238,919	299,646	362,538	348,329	233,498	379,924	447,111	338,466	411,128	4,041,007	
Federal Income Tax	0	0	0	0	0	40,400	85,810	74,519	83,891	69,287	86,897	105,136	101,015	67,715	110,178	129,662	98,155	119,227	1,171,892	
Royalty (\$000)																				
Net Sales (sales - post-site charges)	0	0	0	548,194	615,073	684,409	639,922	593,382	544,725	493,884	566,732	642,296	720,656	601,420	681,610	764,766	638,232	723,330	9,458,631	
State Mining Royalty	0	0	0	27,410	30,754	34,220	31,996	29,669	27,236	24,694	28,337	32,115	36,033	30,071	34,080	38,238	31,912	36,166	472,932	
Export Levy	0	0	0	27,410	30,754	34,220	31,996	29,669	27,236	24,694	28,337	32,115	36,033	30,071	34,080	38,238	31,912	36,166	472,932	
State Diamond Royalty	0	0	0	54,819	61,507	68,441	63,992	59,338	54,472	49,388	56,673	64,230	72,066	60,142	68,161	76,477	63,823	72,333	945,863	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Development Expense	0	100,000	122,400	187,272	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	711,966	
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	820,709	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	122,573	
- Fed. Income Tax	0	0	0	0	0	40,400	85,810	74,519	83,891	69,287	86,897	105,136	101,015	67,715	110,178	129,662	98,155	119,227	1,171,892	
- Provincial Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- State Mining Royalty	0	0	0	54,819	61,507	68,441	63,992	59,338	54,472	49,388	56,673	64,230	72,066	60,142	68,161	76,477	63,823	72,333	945,863	
= Net Cash Flow from Operations, After Tax	-344,876	-435,203	-483,489	298,059	359,976	383,851	230,049	200,242	221,239	186,384	230,560	276,477	267,928	188,324	294,793	345,980	279,945	331,535	2,831,774	

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Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 20%IRR (NWT), After Tax																				
Namibia																				
Corporate Income Tax + Diamond Royalty																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307	
- Capital Redemption Deduction	0	0	0	645,233	7,306	7,453	77,987	79,546	7,909	8,067	8,228	8,393	87,826	89,582	8,906	9,085	0	0	1,045,521	
- Exploration Expenses	0	0	0	229,530	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Allowable Capital expenditures	0	0	0	36,738	33,957	31,473	29,254	27,277	25,516	26,611	27,868	29,334	31,077	33,212	35,933	39,634	39,634	39,634	487,154	
- Interest	0	0	0	27,644	22,566	17,272	11,752	5,998	567	0	0	0	0	0	0	0	0	0	85,799	
- Mining Royalty	0	0	0	54,819	61,507	68,441	63,992	59,338	54,472	49,388	56,673	64,230	72,066	60,142	68,161	76,477	63,823	72,333	945,863	
- R&D	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Net Profit	0	0	0	-597,524	334,948	401,888	295,895	256,960	288,714	238,919	299,646	362,538	348,329	233,498	379,924	447,111	338,466	411,128	4,040,441	
- Losses Carried Forward	0	0	0	0	334,948	262,576	0	0	0	0	0	0	0	0	0	0	0	0	597,524	
= Taxable Income	0	0	0	0	0	139,312	295,895	256,960	288,714	238,919	299,646	362,538	348,329	233,498	379,924	447,111	338,466	411,128	4,040,441	
Corporate Income Tax	0	0	0	0	0	76,622	162,742	141,328	158,793	131,406	164,805	199,396	191,581	128,424	208,958	245,911	186,156	226,120	2,222,242	
Non-resident tax on dividends	0	0	0	0	0	0	6,916	5,629	7,545	5,813	7,817	9,891	8,468	4,493	10,280	12,472	8,849	11,267	99,441	
Total Corporate Tax	0	0	0	0	0	76,622	169,658	146,958	166,338	137,218	172,622	209,287	200,049	132,917	219,238	258,384	195,005	237,388	2,321,684	
Royalty (\$000)																				
Net Sales (sales - post-site charges)	0	0	0	548,194	615,073	684,409	639,922	593,382	544,725	493,884	566,732	642,296	720,656	601,420	681,610	764,766	638,232	723,330	9,458,631	
State Royalty	0	0	0	54,819	61,507	68,441	63,992	59,338	54,472	49,388	56,673	64,230	72,066	60,142	68,161	76,477	63,823	72,333	945,863	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Development Expense	0	100,000	122,400	187,272	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	711,966	
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	820,709	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	567	0	0	0	0	0	0	0	0	0	123,140	
- Fed. Income Tax	0	0	0	0	0	76,622	169,658	146,958	166,338	137,218	172,622	209,287	200,049	132,917	219,238	258,384	195,005	237,388	2,321,684	
- Provincial Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- State Mining Royalty	0	0	0	54,819	61,507	68,441	63,992	59,338	54,472	49,388	56,673	64,230	72,066	60,142	68,161	76,477	63,823	72,333	945,863	
= Net Cash Flow from Operations, After Tax	-344,876	-435,203	-483,489	298,059	359,976	347,630	146,200	127,803	138,226	118,453	144,835	172,326	168,894	123,121	185,733	217,259	183,096	213,374	1,681,416	

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MineTax by AnalysisWorks

Larger Scale Diamond Mine, 20%IRR (NWT), After Tax Chile

	initial	2,004	2,005	2,006	2,007	2,008	2,009	2,010	2,011	2,012	2,013	2,014	2,015	2,016	2,017	2,018	2,019	2,020	2,021	Total
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307
- Depreciation					112,037	117,606	123,353	42,287	44,081	45,929	47,943	50,159	52,628	55,424	22,026	24,099	27,172	23,494	19,658	807,896
- Organization & Setup Deduction					234,090	0	0	0	0	0	0	0	0	0	0	0	0	0	0	234,090
- Development Costs Deduction					63,009	64,269	65,555	75,664	86,151	87,874	89,632	91,425	19,428	33,027	49,858	40,546	30,843	31,460	32,089	860,830
- Interest incl. Foreign Debt Charge					68,442	24,794	19,464	13,876	8,051	0	0	0	0	0	0	0	0	0	0	134,628
= Net Income	0	0	0	0	-81,137	253,615	318,153	347,053	290,837	243,374	185,411	250,832	392,438	450,846	344,551	428,279	514,292	386,970	471,348	4,796,863
- Prior Years' Losses	0	0	0	0	0	81,137	0	0	0	0	0	0	0	0	0	0	0	0	0	81,137
= Taxable Income	0	0	0	0	172,478	318,153	347,053	290,837	243,374	185,411	250,832	392,438	450,846	344,551	428,279	514,292	386,970	471,348	4,796,863	
First Category Tax	0	0	0	0	29,321	54,086	58,999	49,442	41,374	31,520	42,641	66,714	76,644	58,574	72,807	87,430	65,785	80,129	815,467	
Taxable Income For Additional Tax	0	0	0	0	172,478	318,153	347,053	290,837	243,374	185,411	250,832	392,438	450,846	344,551	428,279	514,292	386,970	471,348	4,796,863	
Additional Tax	0	0	0	0	72,441	133,624	145,762	122,151	102,217	77,872	105,349	164,824	189,356	144,712	179,877	216,003	162,527	197,966	2,014,683	
First Category Tax Credit	0	0	0	0	29,321	54,086	58,999	49,442	41,374	31,520	42,641	66,714	76,644	58,574	72,807	87,430	65,785	80,129	815,467	
Net Additional Tax	0	0	0	0	43,119	79,538	86,763	72,709	60,844	46,353	62,708	98,110	112,712	86,138	107,070	128,573	96,743	117,837	1,199,216	
Total Income Tax	0	0	0	0	72,441	133,624	145,762	122,151	102,217	77,872	105,349	164,824	189,356	144,712	179,877	216,003	162,527	197,966	2,014,683	
Mining Activities Tax (\$000)																				
Revenue from Mineral Sales	0	0	0	0	548,194	615,073	684,409	639,922	593,382	544,725	493,884	566,732	642,296	720,656	601,420	681,610	764,766	638,232	723,330	9,458,631
- Operating Costs	0	0	0	0	151,753	154,788	157,884	161,041	164,262	167,547	170,898	174,316	177,803	181,359	184,986	188,685	192,459	196,308	200,235	2,624,323
- Depreciation					112,037	117,606	123,353	42,287	44,081	45,929	47,943	50,159	52,628	55,424	22,026	24,099	27,172	23,494	19,658	807,896
- Organization & Setup Deduction					234,090	0	0	0	0	0	0	0	0	0	0	0	0	0	0	234,090
- Development Costs Deduction	0	0	0	0	63,009	64,269	65,555	75,664	86,151	87,874	89,632	91,425	19,428	33,027	49,858	40,546	30,843	31,460	32,089	860,830
= Net Income	0	0	0	0	-12,695	278,410	337,617	360,929	298,888	243,374	185,411	250,832	392,438	450,846	344,551	428,279	514,292	386,970	471,348	4,931,491
- Prior Years' Losses	0	0	0	0	0	12,695	0	0	0	0	0	0	0	0	0	0	0	0	0	12,695
= Taxable Income	0	0	0	0	265,714	337,617	360,929	298,888	243,374	185,411	250,832	392,438	450,846	344,551	428,279	514,292	386,970	471,348	4,931,491	
Net Mining Activities Tax	0	0	0	0	13,286	16,881	18,046	14,944	12,169	9,271	12,542	19,622	22,542	17,228	21,414	25,715	19,349	23,567	246,575	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530
- Development Expense	0	100,000	122,400	187,272	0	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	711,966
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	820,709
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Interest expense		3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	122,573
- Foreign Debt Charge to Central Bank		2,222	703	532	0	2,228	2,192	2,124	2,053	0	0	0	0	0	0	0	0	0	0	0
- Fed. Income Tax	0	0	0	0	72,441	133,624	145,762	122,151	102,217	77,872	105,349	164,824	189,356	144,712	179,877	216,003	162,527	197,966	2,014,683	
- Provincial Income Tax																				0
- Provincial Capital Tax																				
- Provincial Mining Tax	0	0	0	0	13,286	16,881	18,046	14,944	12,169	9,271	12,542	19,622	22,542	17,228	21,414	25,715	19,349	23,567	246,575	
= Net Cash Flow	0	-347,097	-435,906	-484,021	352,878	333,528	339,995	213,918	194,950	245,217	217,916	256,240	261,397	229,111	154,241	271,841	310,401	260,048	301,561	2,676,218

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June 12, 2008

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 20%IRR (NWT), After Tax																				
Peru Corporate Income Tax + Mining Royalty																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307	
- Exploration Expenses	0	0	0	229,530	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Depreciation	0	0	0	101,262	92,759	85,139	85,353	85,720	78,906	80,897	83,183	85,847	102,229	122,280	127,228	133,957	133,957	133,957	1,532,674	
- Interest	0	0	0	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	85,232	
- Mining Royalty	0	0	0	0	16,446	18,452	20,532	19,198	17,801	16,342	14,817	17,002	19,269	21,620	18,043	20,448	22,943	19,147	262,059	
= Net Profit	0	0	0	38,005	328,515	405,662	361,243	318,204	280,471	225,747	294,416	361,644	417,800	272,535	347,654	417,902	285,024	369,991	4,724,811	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	38,005	328,515	405,662	361,243	318,204	280,471	225,747	294,416	361,644	417,800	272,535	347,654	417,902	285,024	369,991	4,724,811	
Federal Income Tax	0	0	0	11,371	98,292	121,374	108,084	95,207	83,917	67,543	88,089	108,204	125,006	81,543	104,018	125,036	85,279	110,701	1,413,664	
Royalty (\$000)																				
Net Sales (sales - post-site charges)	0	0	0	548,194	615,073	684,409	639,922	593,382	544,725	493,884	566,732	642,296	720,656	601,420	681,610	764,766	638,232	723,330	9,458,631	
State Mining Royalty	0	0	0	16,446	18,452	20,532	19,198	17,801	16,342	14,817	17,002	19,269	21,620	18,043	20,448	22,943	19,147	21,700	283,759	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Development Expense	0	100,000	122,400	187,272	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	711,966	
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	820,709	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve																				
- Interest expense	3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	122,573	
- Fed. Income Tax	0	0	0	11,371	98,292	121,374	108,084	95,207	83,917	67,543	88,089	108,204	125,006	81,543	104,018	125,036	85,279	110,701	1,413,664	
- Provincial Income Tax																			0	
- Provincial Capital Tax																			0	
- State Mining Royalty	0	0	0	16,446	18,452	20,532	19,198	17,801	16,342	14,817	17,002	19,269	21,620	18,043	20,448	22,943	19,147	21,700	283,759	
= Net Cash Flow from Operations, After Tax	-344,876	-435,203	-483,489	325,061	304,739	350,786	252,569	221,091	259,344	222,699	269,039	318,370	294,383	216,595	348,666	404,140	337,498	390,694	3,252,107	

Appendix 6a - Diamond20.xls

June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 20%IRR (NWT), After Tax																				
Mexico																				
Mexico Federal Corporate Income Tax, No Royalty																				
Federal Income Tax (\$000)																				
Net Operating Revenue		0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307
- Depreciation		0	0	0	211,030	216,713	192,362	16,580	16,911	17,250	17,595	17,946	18,305	18,671	19,045	19,426	19,814	13,003	6,056	820,709
- Exploration Expenses		0	0	0	127,840	127,840	127,840	141,917	156,276	28,436	28,436	28,436	14,359	15,853	32,023	32,023	32,023	32,023	16,170	
- Interest					64,985	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	122,573
- Investment Allowance					60,294	1,624	1,656	1,689	1,723	1,757	1,793	1,828	1,865	1,902	1,940	1,979	2,019	0	0	82,071
= Net Profit		0	0	0	-67,710	91,542	187,395	306,942	248,211	329,735	275,163	344,205	429,965	502,871	363,426	439,496	518,451	396,897	500,869	4,867,459
- Losses Carried Forward		0	0	0	0	67,710	0	0	0	0	0	0	0	0	0	0	0	0	0	67,710
= Net Profit		0	0	0	0	23,833	187,395	306,942	248,211	329,735	275,163	344,205	429,965	502,871	363,426	439,496	518,451	396,897	500,869	4,867,459
- Obligatory profit sharing		0	0	0	0	2,383	18,739	30,694	24,821	32,974	27,516	34,421	42,996	50,287	36,343	43,950	51,845	39,690	50,087	486,746
= Taxable Income		0	0	0	0	21,450	168,655	276,248	223,390	296,762	247,647	309,785	386,968	452,584	327,084	395,547	466,606	357,207	450,782	4,380,713
Federal Income Tax		0	0	0	0	6,006	47,223	77,349	62,549	83,093	69,341	86,740	108,351	126,723	91,583	110,753	130,650	100,018	126,219	1,226,600
Tax on Assets																				
Capital asset base		344,876	780,079	1,263,568	1,263,568	1,263,568	1,263,568	1,263,568	1,263,568	1,263,568	1,263,568	1,263,568	1,263,568	1,263,568	1,263,568	1,263,568	1,263,568	1,263,568	1,263,568	21,342,051
Tax on assets		0	0	0	0	0	0	15,795	15,795	15,795	15,795	15,795	15,795	15,795	15,795	15,795	15,795	15,795	15,795	189,535
Total Federal Income and Asset Tax					0	6,006	47,223	77,349	62,549	83,093	69,341	86,740	108,351	126,723	91,583	110,753	130,650	100,018	126,219	1,226,600
Cash Flow from Operations (\$000)																				
Net operating revenue		0	0	0	396,441	460,285	526,525	478,881	429,120	377,178	322,986	392,416	464,494	539,298	416,435	492,924	572,307	441,924	523,095	6,834,307
- Property Acquisition		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense		0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530
- Development Expense		0	100,000	122,400	187,272	0	0	0	70,385	71,793	0	0	0	79,265	80,850	0	0	0	0	711,966
- Capital Plant & Infrastructure		0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	820,709
- Working Capital (withdrawal is -ve)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Interest expense		3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	122,573
- Fed. Income Tax		0	0	0	0	6,006	47,223	77,349	62,549	83,093	69,341	86,740	108,351	126,723	91,583	110,753	130,650	100,018	126,219	1,226,600
- Provincial Income Tax																				0
- Provincial Capital Tax																				0
- State Mining Royalty																				0
= Net Cash Flow from Operations, After Tax		-344,876	-435,203	-483,489	352,878	415,477	445,469	302,502	271,549	276,510	235,718	287,391	337,492	314,285	224,597	362,379	421,469	341,906	396,876	3,722,930

Appendix 6b – Analysis Results: Larger Scale Diamond Mine at 15% IRR

Mining Royalty and Tax Competitiveness Review

Summary Analysis Results: Larger Scale Diamond Mine, 15%IRR (NWT), After Tax

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Mine Tax
Larger Scale Diamond Mine Mine Model
15%IRR (NWT), After Tax Profitability Model
 Current tax and royalty rates, including legislated future changes
Summary of Cash Flow and Tax

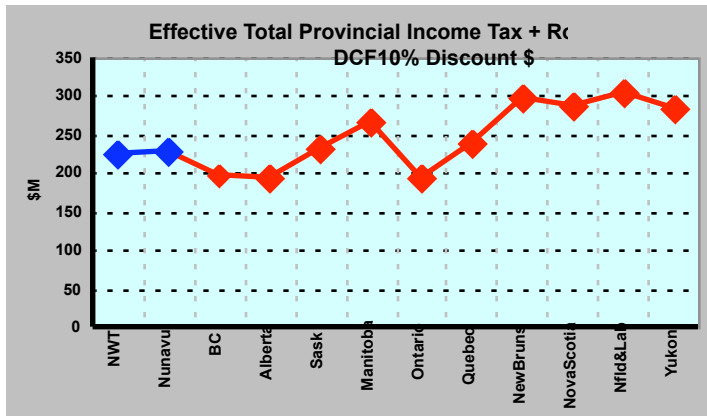
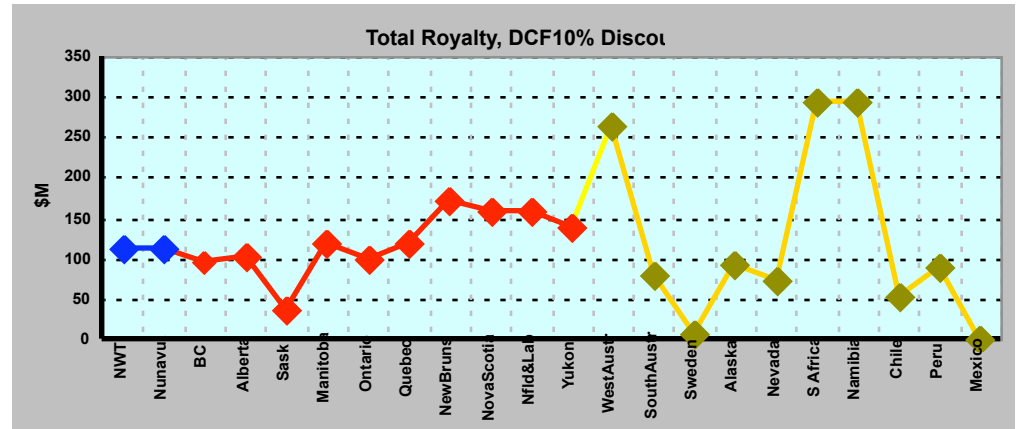
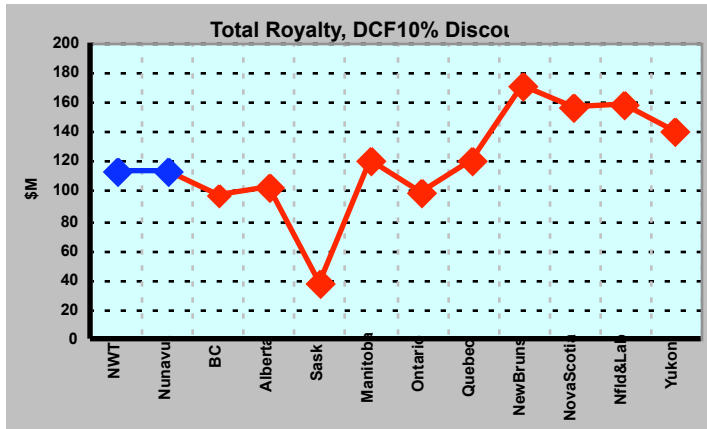
	CMR royalty		Canadian Comparisons									
	Northwest Territories	Nunavut	British Columbia	Alberta	Saskatchewan	Manitoba	Ontario	Quebec	New Brunswick	Nova Scotia	Newfoundland & Labrador	Yukon
Internal Rate of Return, IRR, at Debt:Total Initial Capital Investment = 50%												
Before Tax IRR, Total Invested Capital Basis	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%
After Tax IRR, Total Invested Capital Basis	15.0%	14.9%	15.3%	15.4%	14.6%	14.4%	15.3%	14.9%	14.4%	14.4%	14.2%	14.1%
Effective Total Royalty + Tax Rate												
By impact on Internal Rate of Return	18.4%	18.7%	16.5%	16.1%	20.3%	21.4%	16.7%	19.1%	21.8%	21.8%	23.0%	23.2%
By NPV royalty / NPV net cash flow before royalty taxes	16.7%	16.7%	14.3%	15.3%	5.5%	17.8%	14.5%	17.8%	25.4%	23.2%	23.5%	20.7%
By NPV royalty + taxes / NPV net cash flow before and taxes	49.4%	50.1%	45.7%	44.8%	51.9%	55.7%	45.0%	51.1%	55.9%	55.0%	57.4%	57.9%
Total Project Investment Summary: Nominal Dollars (Of-the-Year)												
Capital Investment												
Life-of-Mine Total	1,762,204,311											
Initial Development to Production	1,226,227,500											
Mine Revenue (Net Smelter Return)	11,082,973,524											
Federal Income Tax	397,712,573	397,712,573	404,438,517	403,473,245	430,684,740	398,170,576	404,736,582	397,295,651	315,424,209	328,161,198	329,883,066	396,421,870
Terr/Prov Income Tax	357,191,208	372,721,261	339,598,420	305,551,543	403,077,534	406,830,661	275,591,717	358,705,445	360,322,900	370,628,422	433,870,266	464,751,636
Terr/Prov Capital Tax	0	0	0	0	134,655,965	37,801,666	5,219,668	26,606,363	5,286,248	9,838,176	0	0
Mining Tax or Royalty	393,667,068	393,667,068	348,827,447	355,262,588	173,852,622	427,954,713	346,840,343	395,725,172	578,526,245	492,656,780	482,710,580	401,368,790
Net Cash Flow To Mine Project	2,225,359,438	2,209,829,386	2,281,065,904	2,309,642,911	2,231,659,426	2,103,172,671	2,341,541,977	2,194,876,279	2,113,803,857	2,172,088,767	2,127,466,376	2,111,387,992
Total Taxes	1,148,570,849	1,164,100,902	1,092,864,383	1,064,287,377	1,142,270,861	1,270,757,616	1,032,388,310	1,178,332,632	1,259,569,602	1,201,284,576	1,246,463,911	1,262,542,296
Total Project Investment Summary: discounted Present Value, at 10% Discount Rate												
Capital Investment												
Life-of-Mine Total	1,214,265,284											
Initial Development to Production	1,006,927,122											
Mine Revenue (Net Smelter Return)	3,373,090,816											
Federal Income Tax	108,990,918	108,990,918	111,989,899	110,608,208	120,092,621	110,416,700	111,095,647	108,184,012	79,736,768	82,790,685	82,763,848	107,105,852
Terr/Prov Income Tax	112,427,498	117,315,650	101,213,255	88,915,978	128,914,409	130,139,229	92,297,592	103,725,099	123,015,868	125,477,410	146,343,568	144,781,848
Terr/Prov Capital Tax	0	0	0	0	65,263,906	16,140,346	2,832,488	13,613,349	3,919,706	6,413,155	0	0
Mining Tax or Royalty	112,749,115	112,749,115	96,528,652	103,600,944	37,420,487	120,212,650	98,414,422	120,429,796	171,728,269	157,301,634	159,432,448	140,163,637
Net Cash Flow To Mine Project	342,958,144	338,069,992	367,393,868	374,000,544	325,434,249	300,216,749	372,485,526	330,702,528	298,355,127	304,779,295	288,585,810	285,074,338
Total Taxes	334,167,530	339,055,682	309,731,806	303,125,130	351,691,426	376,908,926	304,640,148	345,952,256	378,400,612	371,982,883	388,539,864	392,051,336
Royalty as proportion of net profit before royalty and tax												
Nominal Dollars	11.7%	11.7%	10.3%	10.5%	5.2%	12.7%	10.3%	11.7%	17.1%	14.6%	14.3%	11.9%
Net Present Value	16.7%	16.7%	14.3%	15.3%	5.5%	17.8%	14.5%	17.8%	25.4%	23.2%	23.5%	20.7%
Total Tax + Royalty as proportion of net profit before royalty and tax												
Nominal Dollars	34.0%	34.5%	32.4%	31.5%	33.9%	37.7%	30.6%	34.9%	37.3%	35.6%	36.9%	37.4%
Net Present Value	49.4%	50.1%	45.7%	44.8%	51.9%	55.7%	45.0%	51.1%	55.9%	55.0%	57.4%	57.9%

Mine Tax
Larger Scale Diamond Mine
15%IRR (NWT), After Tax
 Current tax and royalty rates, including le
Summary of Cash Flow and Tax

International Comparisons										
	Western Australia	South Australia	Sweden	USA, Alaska	USA, Nevada	South Africa	Namibia	Chile	Peru	Mexico
Internal Rate of Return, IRR, at Debt:Total Initial Investment										
Before Tax IRR, Total Invested Capital Basis	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.3%	18.4%	18.4%
After Tax IRR, Total Invested Capital Basis	12.7%	14.4%	15.3%	13.7%	14.4%	12.4%	9.0%	12.9%	13.4%	16.1%
Effective Total Royalty + Tax Rate										
By impact on Internal Rate of Return	31.1%	21.4%	16.7%	25.4%	21.4%	32.8%	50.9%	29.2%	27.1%	12.6%
By NPV royalty / NPV net cash flow before royalty taxes	38.8%	11.6%	0.9%	13.7%	11.0%	43.4%	43.5%	8.1%	13.0%	0.0%
By NPV royalty + taxes / NPV net cash flow before and taxes	73.6%	54.2%	43.6%	62.0%	53.1%	76.4%	108.4%	71.1%	63.3%	35.7%
Total Project Investment Summary: Nominal Dollars										
Capital Investment										
Life-of-Mine Total										
Initial Development to Production										
Mine Revenue (Net Smelter Return)										
Federal Income Tax	759,745,604	917,225,303	917,306,137	772,661,378	889,510,496	760,610,735	1,498,492,617	1,352,930,899	955,305,359	829,548,571
Terr/Prov Income Tax	0	0	0	244,830,432	0	0	0	0	0	0
Terr/Prov Capital Tax	0	0	0	0	0	0	0	0	0	0
Mining Tax or Royalty	759,064,710	234,441,733	15,766,063	275,460,824	210,729,140	788,303,152	788,303,152	167,794,589	236,490,946	0
Net Cash Flow To Mine Project	1,854,810,620	2,222,263,252	2,440,858,087	2,080,977,654	2,273,690,651	1,824,843,907	1,084,994,496	1,841,150,527	2,182,133,983	2,544,381,714
Total Taxes	1,518,810,314	1,151,667,036	933,072,200	1,292,952,634	1,100,239,636	1,548,913,887	2,286,795,770	1,520,725,488	1,191,796,305	829,548,571
Total Project Investment Summary: discounted										
Capital Investment										
Life-of-Mine Total										
Initial Development to Production										
Mine Revenue (Net Smelter Return)										
Federal Income Tax	235,432,211	288,395,976	289,152,147	249,164,621	285,515,927	223,476,455	439,453,913	422,014,018	340,634,009	241,512,326
Terr/Prov Income Tax	0	0	0	78,127,504	0	0	0	0	0	0
Terr/Prov Capital Tax	0	0	0	0	0	0	0	0	0	0
Mining Tax or Royalty	262,560,329	78,323,298	5,876,764	92,738,582	74,221,403	293,838,199	293,838,199	54,167,454	88,151,460	0
Net Cash Flow To Mine Project	179,001,937	310,406,399	382,096,764	257,094,968	317,388,344	159,737,866	(57,074,016)	193,275,018	248,340,206	435,613,348
Total Taxes	497,992,541	366,719,275	295,028,911	420,030,707	359,737,330	517,314,654	733,292,112	476,181,472	428,785,468	241,512,326
Royalty as proportion of net profit before royalties										
Nominal Dollars	22.5%	6.9%	0.5%	8.2%	6.2%	23.4%	23.4%	5.0%	7.0%	0.0%
Net Present Value	38.8%	11.6%	0.9%	13.7%	11.0%	43.4%	43.5%	8.1%	13.0%	0.0%
Total Tax + Royalty as proportion of net profit before royalties										
Nominal Dollars	45.0%	34.1%	27.7%	38.3%	32.6%	45.9%	67.8%	45.2%	35.3%	24.6%
Net Present Value	73.6%	54.2%	43.6%	62.0%	53.1%	76.4%	108.4%	71.1%	63.3%	35.7%

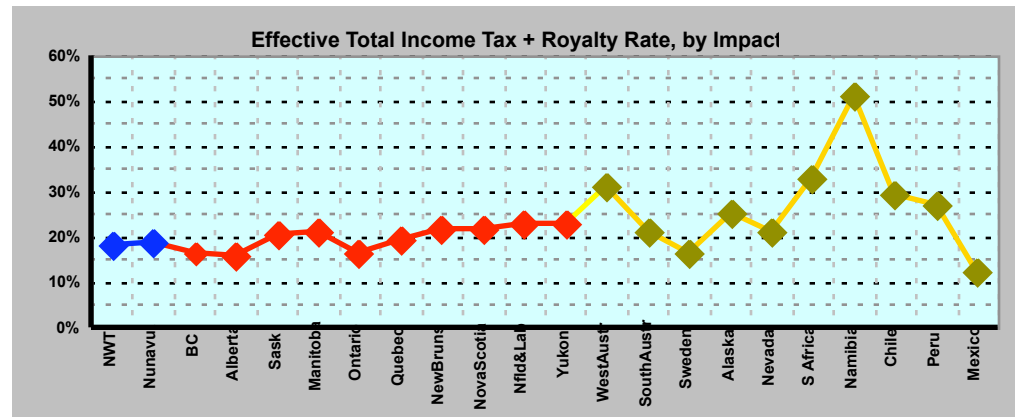
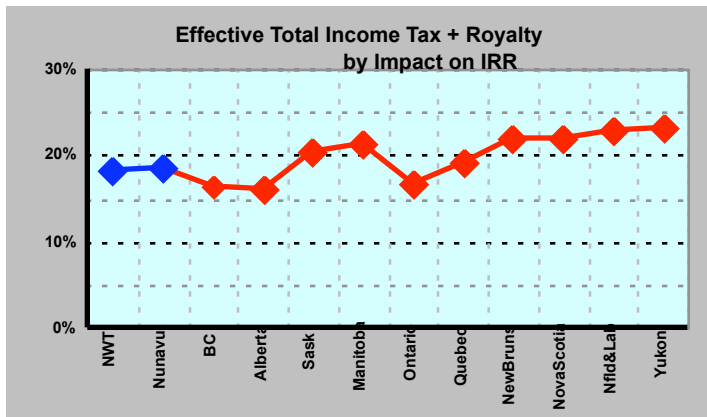
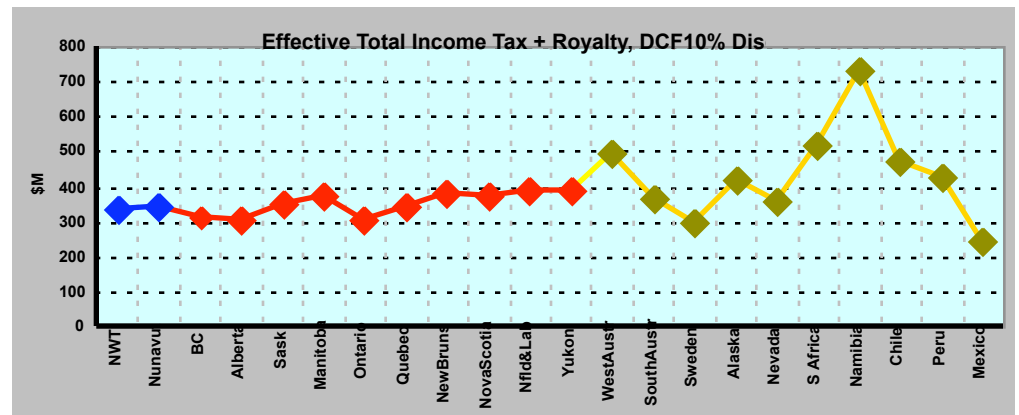
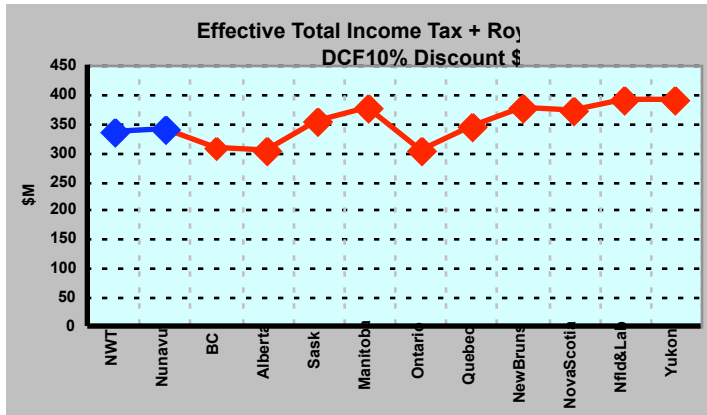
MineTax

Larger Scale Diamond Mine, 15%IRR (NWT), After Tax
Comparative Results Graphs



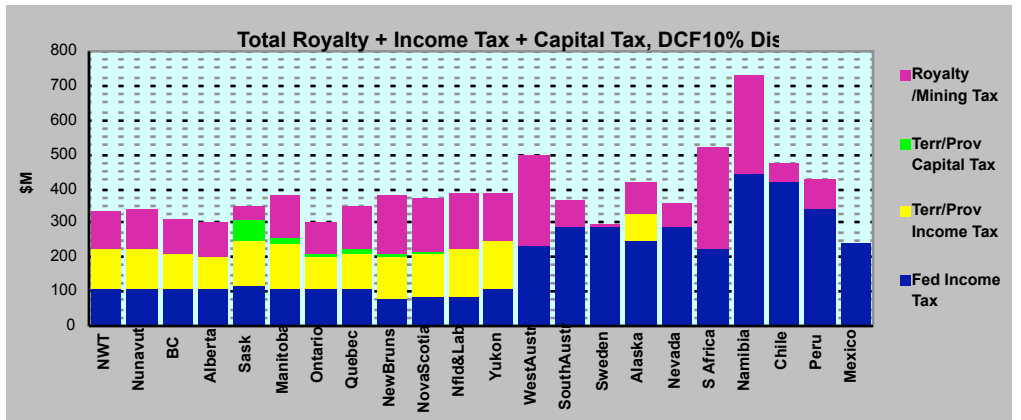
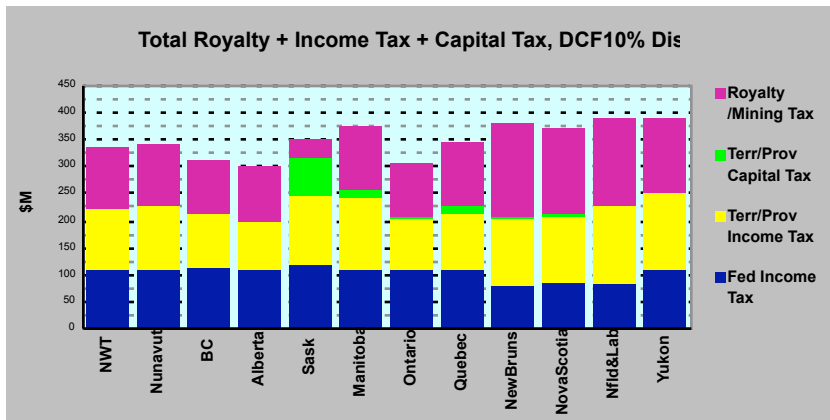
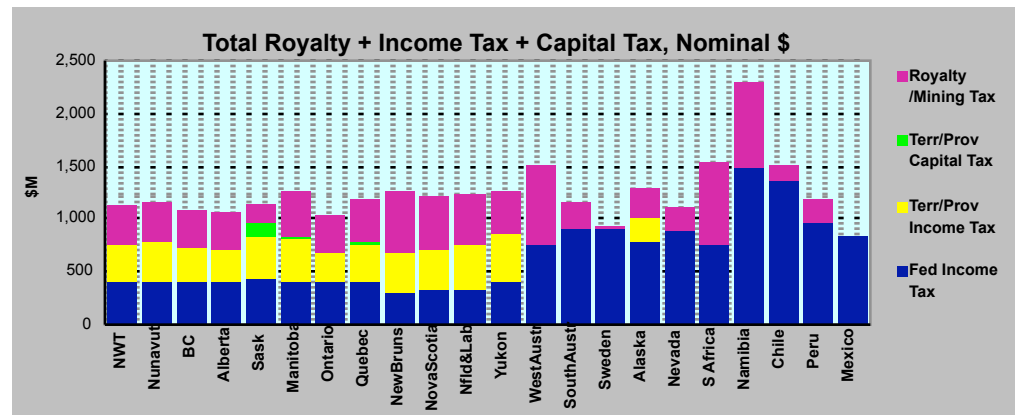
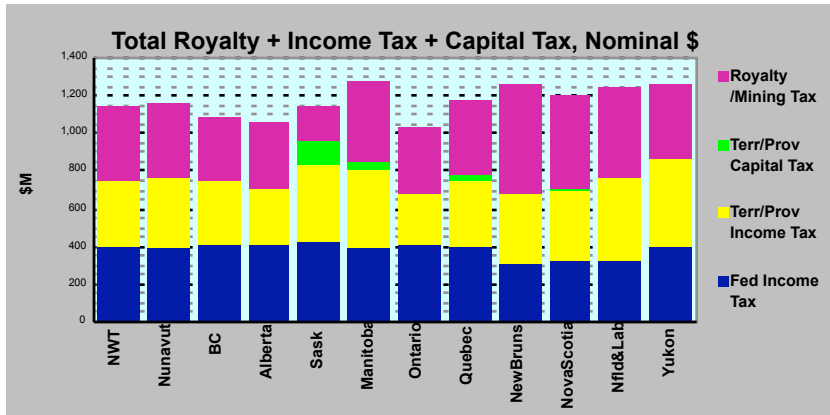
MineTax

Larger Scale Diamond Mine, 15%IRR (NWT), After Tax
Comparative Results Graphs



MineTax

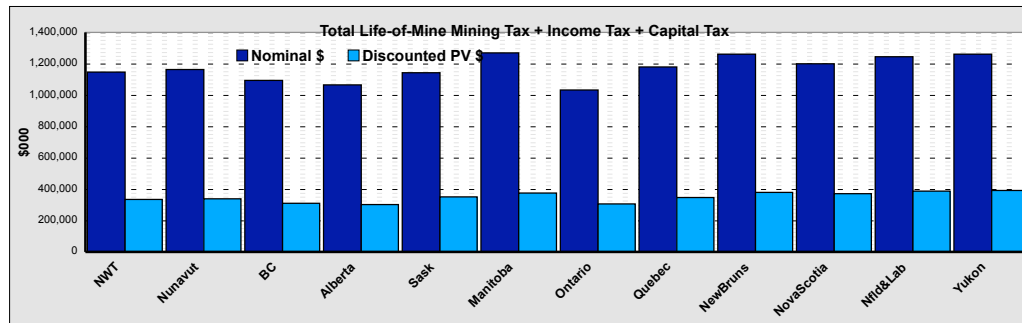
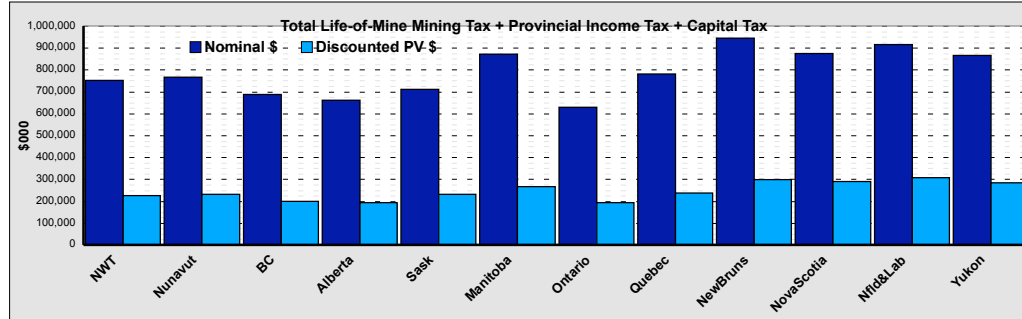
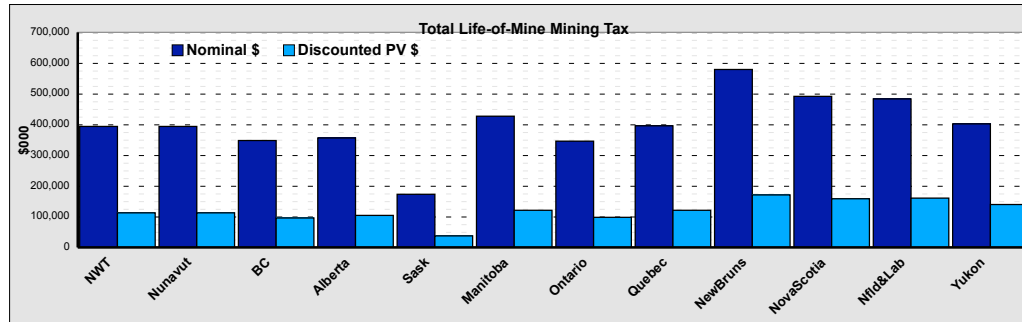
Larger Scale Diamond Mine, 15%IRR (NWT), After Tax
Comparative Results Graphs



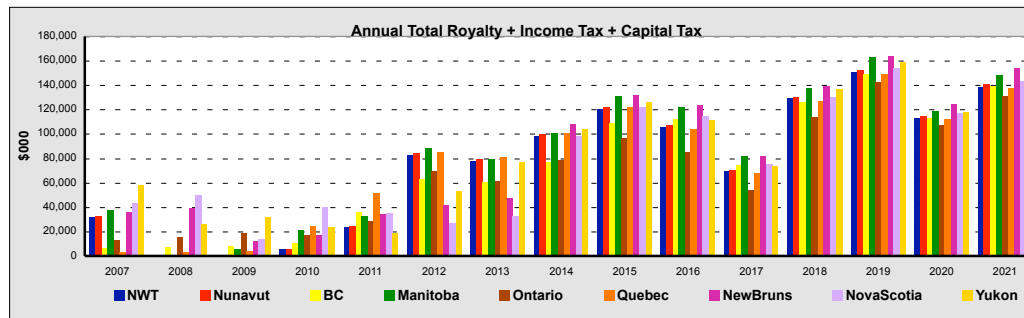
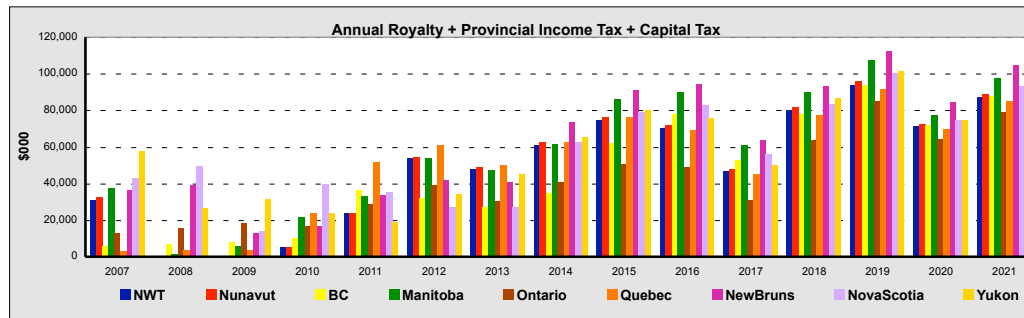
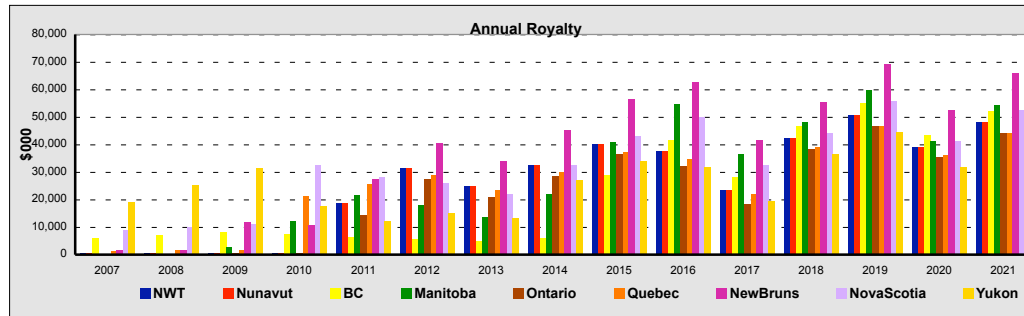
MineTax

Larger Scale Diamond Mine, 15%IRR (NWT), After Tax

Additional Graphs: Comparative Results and Annual Results -- Canadian Comparisons

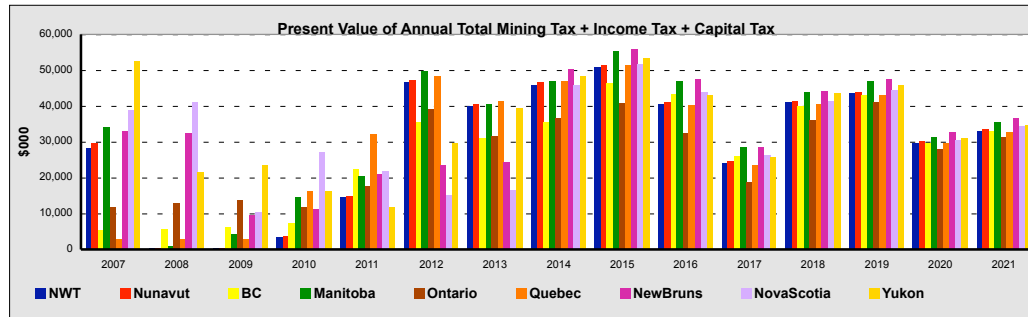
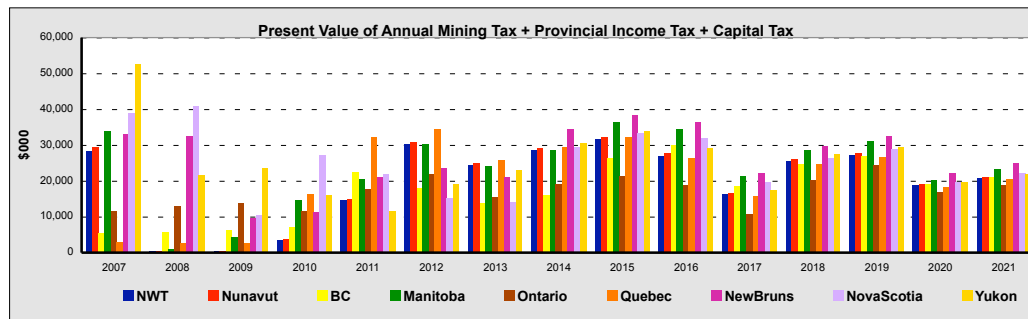
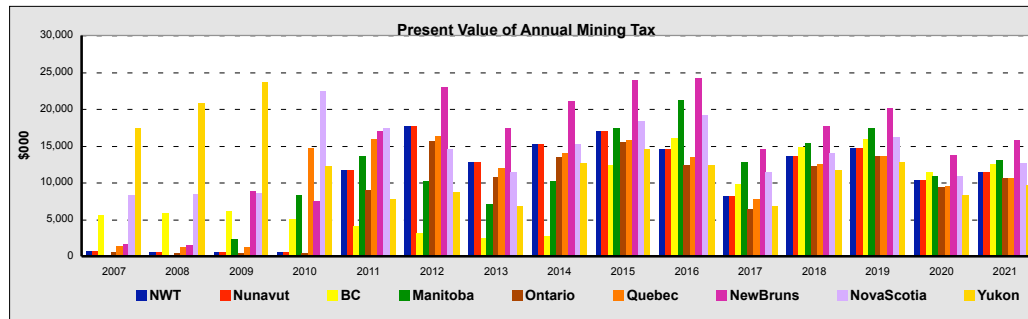


MineTax
Larger Scale Diamond Mine, 15%IRR (NWT), After Tax



MineTax

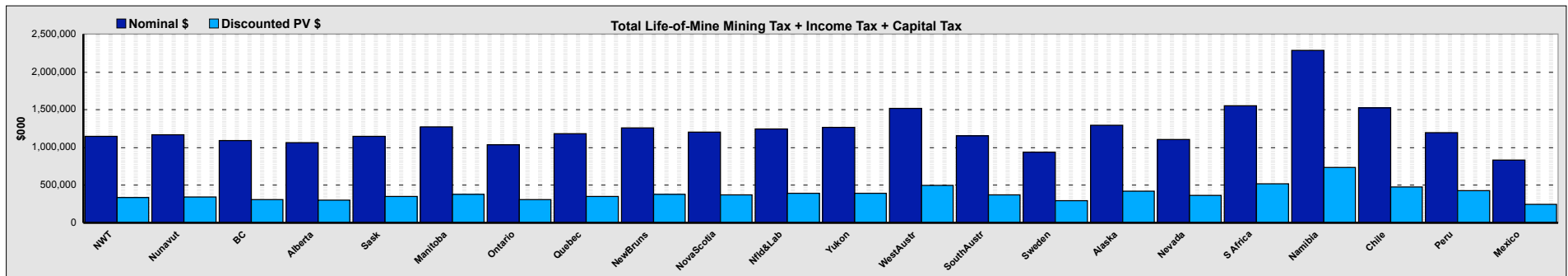
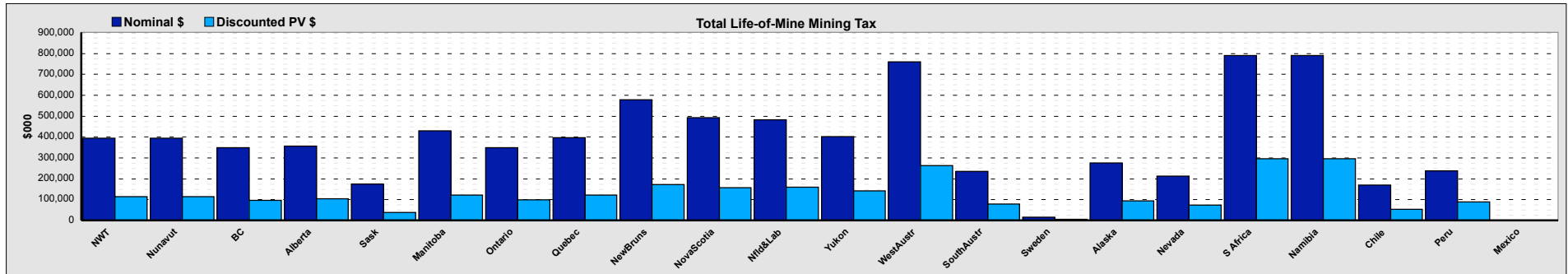
Larger Scale Diamond Mine, 15%IRR (NWT), After Tax



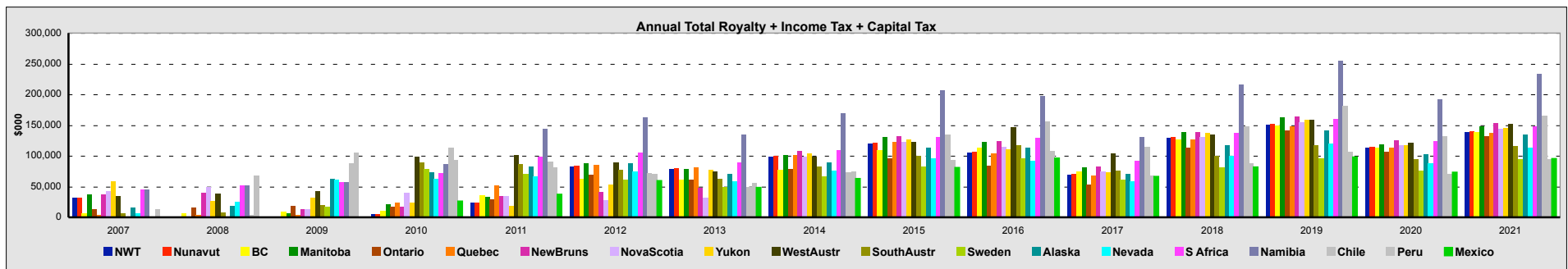
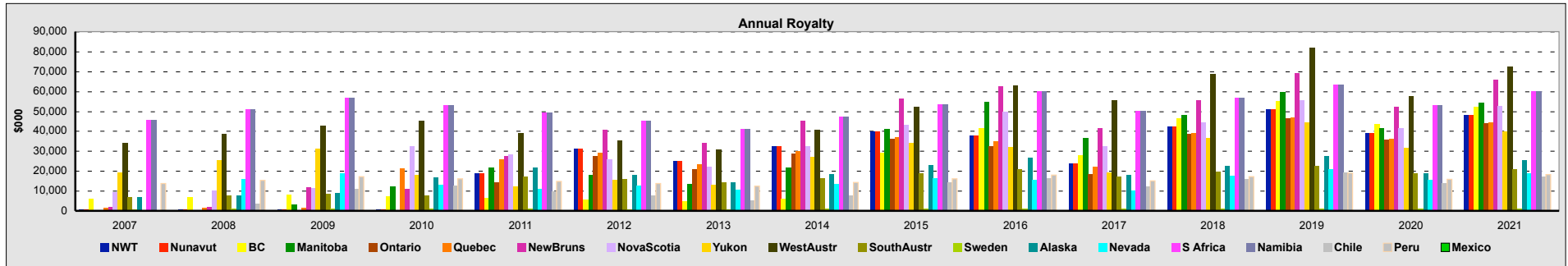
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Larger Scale Diamond Mine, 15%IRR (NWT), After Tax

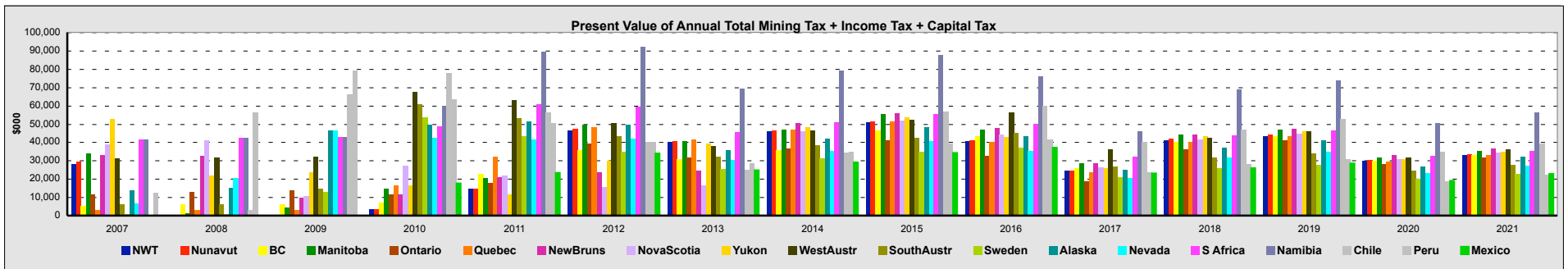
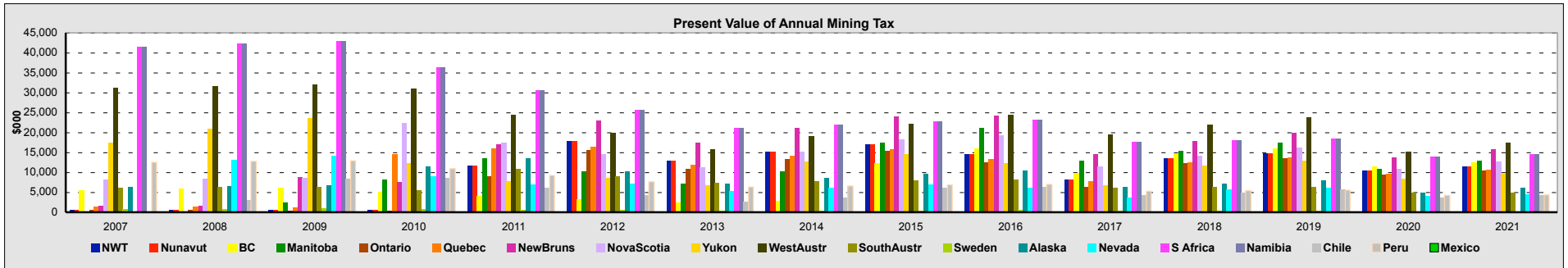
Additional Graphs: Comparative Results and Annual Results -- International Comparisons



MineTax
Larger Scale Diamond Mine, 15%IRR (NWT), After Tax



MineTax
Larger Scale Diamond Mine, 15%IRR (NWT), After Tax



MineTax	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 15%IRR (NWT), After Tax																			
Production Schedule, Capital Investment & Determination of Net Operating Revenue																			
Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Production Schedule																			
Daily mine production (t/d)																			
Annual production days (d)																			
Annual mine production (tonnes)				12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	180,000
Unit Operating Costs (\$/t ore milled)																			
Mining operations																			
Mining				7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75
Other operating																			
Total mining operations				7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75
Milling operations																			
Milling				4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17
Power																			
Other operating																			
Total milling operations				4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17
Private royalty (% NSR)				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total operating				11.92	11.92	11.92	11.92	11.92	11.92	11.92	11.92	11.92	11.92	11.92	11.92	11.92	11.92	11.92	11.92
Revenue and Cost Schedule in \$ Constant (2004)																			
Revenue																			
Value of product sold																			
Mineral/Metal1				430,525,000	473,577,500	516,630,000	473,577,500	430,525,000	387,472,500	344,420,000	387,472,500	430,525,000	473,577,500	387,472,500	430,525,000	473,577,500	387,472,500	430,525,000	8,610,500
Gross sales				430,525,000	473,577,500	516,630,000	473,577,500	430,525,000	387,472,500	344,420,000	387,472,500	430,525,000	473,577,500	387,472,500	430,525,000	473,577,500	387,472,500	430,525,000	8,610,500
Post-site costs																			
Transportation																			0
Other post-site costs																			0
Cutting & polishing charges																			0
Marketing costs																			0
Total post-site costs				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Mine Revenue				430,525,000	473,577,500	516,630,000	473,577,500	430,525,000	387,472,500	344,420,000	387,472,500	430,525,000	473,577,500	387,472,500	430,525,000	473,577,500	387,472,500	430,525,000	8,610,500
Operating Costs																			
Mining Operations				92,950,000	92,950,000	92,950,000	92,950,000	92,950,000	92,950,000	92,950,000	92,950,000	92,950,000	92,950,000	92,950,000	92,950,000	92,950,000	92,950,000	92,950,000	1,394,250
Milling Operations				50,050,000	50,050,000	50,050,000	50,050,000	50,050,000	50,050,000	50,050,000	50,050,000	50,050,000	50,050,000	50,050,000	50,050,000	50,050,000	50,050,000	50,050,000	750,750
Private Royalty				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total operating				143,000,000	143,000,000	143,000,000	143,000,000	143,000,000	143,000,000	143,000,000	143,000,000	143,000,000	143,000,000	143,000,000	143,000,000	143,000,000	143,000,000	143,000,000	2,145,000
Net Operating Revenue				287,525,000	330,577,500	373,630,000	330,577,500	287,525,000	244,472,500	201,420,000	244,472,500	287,525,000	330,577,500	244,472,500	287,525,000	330,577,500	244,472,500	287,525,000	6,465,500
Capital Investment																			
Property Acquisition																			
Exploration	75,000,000	75,000,000	75,000,000																225,000
Preproduction Development	100,000,000	120,000,000	180,000,000				62,500,000	62,500,000											650,000
Infrastructure	26,250,000	26,250,000	22,500,000										62,500,000	62,500,000					75,000
Mining Plant and Equipment	112,500,000	56,250,000	56,250,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	0	312,750
Milling Plant and Equipment	27,500,000	137,500,000	110,000,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	0
Working Capital																			0
Environmental Reserve contribution																			0
interest earned																			0
withdrawal																			0
balance in reserve																			0
Total Capital	341,250,000	415,000,000	443,750,000	15,000,000	15,000,000	15,000,000	77,500,000	77,500,000	15,000,000	15,000,000	15,000,000	15,000,000	77,500,000	77,500,000	15,000,000	15,000,000	0	0	1,645,000

MineTax	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 15%IRR (NWT), After Tax																			
Production Schedule, Capital Investment & Determination of Net Operating Revenue																			
Revenue and Cost Schedule in \$ Nominal (Dollars-of-the-year)																			
Revenue																			
Value of product sold				456,876,574	512,615,516	570,401,265	533,325,183	494,537,897	453,985,790	411,613,782	472,326,815	535,303,724	600,610,778	501,236,995	568,068,594	637,372,963	531,916,709	602,838,937	8,610,550
Mineral/Metal1				456,876,574	512,615,516	570,401,265	533,325,183	494,537,897	453,985,790	411,613,782	472,326,815	535,303,724	600,610,778	501,236,995	568,068,594	637,372,963	531,916,709	602,838,937	8,610,550
Gross sales	0	0	0	456,876,574	512,615,516	570,401,265	533,325,183	494,537,897	453,985,790	411,613,782	472,326,815	535,303,724	600,610,778	501,236,995	568,068,594	637,372,963	531,916,709	602,838,937	11,082.97
Post-site costs																			
Transportation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other post-site costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Smelting & Refining	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Marketing costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total post-site costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Mine Revenue	0	0	0	456,876,574	512,615,516	570,401,265	533,325,183	494,537,897	453,985,790	411,613,782	472,326,815	535,303,724	600,610,778	501,236,995	568,068,594	637,372,963	531,916,709	602,838,937	11,082.97
Operating Costs																			
Mining Operations	0	0	0	98,639,284	100,612,069	102,624,311	104,676,797	106,770,333	108,905,739	111,083,854	113,305,531	115,571,642	117,883,075	120,240,736	122,645,551	125,098,462	127,600,431	130,152,440	1,705.81
Milling Operations	0	0	0	53,113,460	54,175,730	55,259,244	56,364,429	57,491,718	58,641,552	59,814,383	61,010,671	62,230,884	63,475,502	64,745,012	66,039,912	67,360,710	68,707,925	70,082,083	918.513
Private Royalty	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total operating	0	0	0	151,752,744	154,787,799	157,883,555	161,041,226	164,262,050	167,547,291	170,898,237	174,316,202	177,802,526	181,358,577	184,985,748	188,685,463	192,458,172	196,308,356	200,234,523	2,624.32
Net Operating Revenue	0	0	0	305,123,830	357,827,717	412,517,710	372,283,957	330,275,847	286,438,498	240,715,545	298,010,613	357,501,198	419,252,202	316,251,247	379,383,131	444,913,791	335,608,353	402,604,414	8,458.65
Capital Costs																			
Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Exploration	75,000,000	76,500,000	78,030,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530
Preproduction Development	100,000,000	122,400,000	187,272,000	0	0	0	70,385,151	71,792,854	0	0	0	0	79,265,112	80,850,414	0	0	0	0	711,965
Infrastructure	26,250,000	26,775,000	23,409,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	76,434
Mining Plant and Equipment	112,500,000	57,375,000	58,522,500	7,163,154	7,306,417	7,452,545	7,601,596	7,753,628	7,908,701	8,066,875	8,228,212	8,392,777	8,560,632	8,731,845	8,906,482	9,084,611	0	0	333,554
Milling Plant and Equipment	27,500,000	140,250,000	114,444,000	8,754,966	8,930,065	9,108,667	9,290,840	9,476,657	9,666,190	9,859,514	10,056,704	10,257,838	10,462,995	10,672,255	10,885,700	11,103,414	0	0	410,719
Working Capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest earned	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Balance in reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Capital	341,250,000	423,300,000	461,677,500	15,918,120	16,236,482	16,561,212	87,277,587	89,023,139	17,574,691	17,926,389	18,284,916	18,650,615	98,288,739	100,254,514	19,792,181	20,188,025	0	0	1,762.20
Before Taxes and Financing Cash Flow																			
Total Mine Revenue	0	0	0	456,876,574	512,615,516	570,401,265	533,325,183	494,537,897	453,985,790	411,613,782	472,326,815	535,303,724	600,610,778	501,236,995	568,068,594	637,372,963	531,916,709	602,838,937	11,082.97
Operating Costs	0	0	0	(151,752,744)	(154,787,799)	(157,883,555)	(161,041,226)	(164,262,050)	(167,547,291)	(170,898,237)	(174,316,202)	(177,802,526)	(181,358,577)	(184,985,748)	(188,685,463)	(192,458,172)	(196,308,356)	(200,234,523)	(2,624.32)
Private Royalty	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow from Operations	0	0	0	305,123,830	357,827,717	412,517,710	372,283,957	330,275,847	286,438,498	240,715,545	298,010,613	357,501,198	419,252,202	316,251,247	379,383,131	444,913,791	335,608,353	402,604,414	8,458.65
Capital Costs	(341,250,000)	(423,300,000)	(461,677,500)	(15,918,120)	(16,236,482)	(16,561,212)	(87,277,587)	(89,023,139)	(17,574,691)	(17,926,389)	(18,284,916)	(18,650,615)	(98,288,739)	(100,254,514)	(19,792,181)	(20,188,025)	0	0	(1,762.20)
Working Capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Contribution to Environmental Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawal from Environmental Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Cash Flow	(341,250,000)	(423,300,000)	(461,677,500)	289,205,710	341,591,235	395,956,498	285,006,370	241,252,707	268,863,607	222,789,157	279,725,697	338,850,583	320,963,463	215,996,733	359,599,950	424,725,766	335,608,353	402,604,414	6,696.44
Cumulative Net Cash Flow	(341,250,000)	(764,550,000)	(1,226,227,500)	(937,021,790)	(595,430,555)	(198,474,056)	85,532,313	326,785,021	595,648,628	818,437,785	1,098,163,482	1,437,014,065	1,757,977,528	1,973,974,261	2,333,565,211	2,758,290,976	3,093,899,330	3,496,503,744	
Net Present Value, Before Taxes and Financing																			
discount rate (nominal)			0.0%	5.0%	7.5%	10.0%	12.5%												
discount rate (real)			-2.0%	2.9%	5.4%	7.8%	10.3%												
NPV (before tax and royalty)			6,696,445,743	3,174,774,054	2,215,198,460	1,546,950,483	1,071,648,225												

MineTax

General Economic Parameters

	Base	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Base Year, commencement of production	2007																		
Base year for cost inputs	2004																		
Number of years of mine production	15																		
Debt:Total Initial Capital Investment	50%																		
Gov't of Canada long term bond yield	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%
Inflation/Escalation																			
Annual escalation rate for operating costs and value of money	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Operating cost inflation index for the year	1.0000	1.0200	1.0404	1.0612	1.0824	1.1041	1.1262	1.1487	1.1717	1.1951	1.2190	1.2434	1.2682	1.2936	1.3195	1.3459	1.3728	1.4002	
Annual escalation rate for capital costs	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Capital cost inflation index for the year	1.0000	1.0200	1.0404	1.0612	1.0824	1.1041	1.1262	1.1487	1.1717	1.1951	1.2190	1.2434	1.2682	1.2936	1.3195	1.3459	1.3728	1.4002	
Annual escalation rate for base metal prices	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Base metal prices escalation index for the year	1.0000	1.0200	1.0404	1.0612	1.0824	1.1041	1.1262	1.1487	1.1717	1.1951	1.2190	1.2434	1.2682	1.2936	1.3195	1.3459	1.3728	1.4002	
\$Canada:\$USA Exchange Rate	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850
Discount rate for discounted cash flow analysis (real)	7.80%																		
Discount rate for discounted cash flow analysis (real)	10.00%																		
Annual interest rate on corporate debt, Cdn business prime rate	4.25%																		

Notes:

Pre-production interest expenses are capitalized.

Debt scheduled for repayment over 5 years or 50% designed mine life, whichever is longer.

Initial development debt repaid out of 90% of after tax cash flow.

Shortfall in meeting annual debt repayment is added to debt, and rescheduled over remaining term.

All expenses after onset of production to be paid from cash flow.

Mine Tax

Canadian & International Fiscal Parameters

Current tax and royalty rates, including legislated future changes

Canadian Fiscal Parameters	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Federal Income Tax																		
Corporate income tax rate	28%	28%	28%	28%	26.5%	26.0%	25.0%	23.5%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%
Resource income tax rate reduction	2%	3%	5%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
Corporate income tax surtax rate	4%	4%	4%	4%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Large corporation tax rate	0.200%	0.175%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Resource Allowance	19%	16%	9%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Accelerated Capital Cost Allowance (ACCA)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Capital Cost Allowance, Class 41a (CCA)	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Canadian Exploration Expense (CEE)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Canadian Development Expense (CDE)	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Atlantic & Gaspé Investment Tax Credit	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Provincial Mining Tax Deduction (federal)	25%	35%	65%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Canadian Exploration Expense Tax Credit	7%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Northwest Territories + Nunavut																		
NWT Corporate income tax rate	14.0%	14.0%	12.8%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
NT Corporate income tax rate	12.0%	12.0%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
CMR Royalty																		
CMR royalty rate (maximum)	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%
for value of output up to \$10,000.	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
for output over \$10,000 to \$5,000,000.	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
increment for each additional \$5,000,000. of output	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
to maximum (for output over \$45,000,000.)	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%
Depreciation allowance	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Exploration & development allowance	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Processing allowance max % of royaltyable income	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%
Processing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
British Columbia																		
Corporate income tax rate	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Preproduction capital gross-up rate	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	0.00%	0.00%	0.00%	0.00%	0.00%
Investment allowance rate	3.65%	3.65%	5.39%	5.75%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%
Mining tax part 1 rate	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Mining tax part 2 rate	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%
Alberta (Metallic Minerals, Diamonds)																		
Corporate income tax rate	11.5%	11.5%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Royalty Tax credit rate, average annual	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Royalty Tax credit shelter maximum (\$000)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Mining tax rate, pre-payout	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Mining tax rate, post-payout	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
Capital Allowance	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%

Saskatchewan (Gold & Base Metal)

Corporate income tax rate	17.0%	17.0%	15.5%	13.5%	12.5%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Capital tax, base rate	0.6%	0.6%	0.5%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Resource surcharge on capital tax	3.6%	3.6%	3.5%	3.2%	3.1%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Resource surcharge on capital tax _DIAMONDS	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Mining tax rate, initial period	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Mining tax rate, pastthreshold	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Threshold for mining tax increase (\$000)	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000
Preproduction allowance	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%
Depreciation	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Manitoba

Corporate income tax rate	15.0%	15.0%	14.5%	14.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%
Capital tax, base rate	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Capital tax, surtax rate	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Capital deductible amount (\$000)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Capital deductible amount for surtax (\$000)	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Mining tax rate	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%
Special tax rate	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Depreciation allowance rate	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
Investment credit rate	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
Processing allowance rate	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%

Ontario

Corporate income tax rate	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Resource allowance rate	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Capital tax rate	0.300%	0.300%	0.300%	0.285%	0.285%	0.225%	0.150%	0.075%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Capital tax, deductible amount (\$000)	5,000	7,500	10,000	12,500	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Mining tax rate	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Mining tax exemption (annual) (\$000)	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500
Mining tax holiday amount (\$000)	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Mining tax holiday period (yr)	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Remote mines																		
Mining tax rate	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Mining tax holiday amount (\$000)	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Mining tax holiday period (yr)	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Depreciation allowance rate: preprod. mine assets	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Depreciation allowance rate: mine assets	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Depreciation allowance rate: processing and transportation assets	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Processing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Development expense allowance rate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Minimum corporate income tax rate	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
Ontario charitable donation deduction rate				100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Made in Ontario deduction part 2 allowance				15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Made in Ontario deduction part 2 allowance limit rate				20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%

Quebec																	
Corporate income tax rate	8.9%	8.9%	9.9%	9.9%	11.4%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%
Resource allowance rate	25%	25%	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Capital tax rate	0.600%	0.525%	0.490%	0.360%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%
Capital tax, deductible amount (\$000)	600	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Mining duty rate	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
Depreciation allowance rate assets	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Exploration & development expense allowance rate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Processing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
For mines north of 51°																	
Tax Holiday for first production years	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Limit as % of processing assets for the year	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
New Brunswick																	
Corporate income tax rate	13%	13%	13%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
Capital tax rate	0.300%	0.300%	0.250%	0.200%	0.100%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Capital tax, deductible amount (\$000)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Metallic minerals royalty	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Royalty holiday on initial production (yr)	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Mining tax rate	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%
Depreciation allowance other assets	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%
Depreciation allowance new mine assets	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Minimum depreciation allowance new mine assets	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Exploration expense allowance rate	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%
Processing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Processing allowance maximum of revenue	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Processing allowance maximum of profit	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%
Financing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Income tax credit maximum annual limit (\$000)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Nova Scotia																	
Corporate income tax rate	16%	16%	16%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
Capital tax rate, capital between 5M and 10M	0.550%	0.550%	0.500%	0.450%	0.400%	0.300%	0.200%	0.100%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Capital tax rate, capital above 10M	0.300%	0.275%	0.250%	0.225%	0.200%	0.150%	0.100%	0.050%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Capital tax, deductible amount (\$000)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Capital tax, deductible amount 2nd level (\$000)	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Net revenue royalty	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Royalty holiday on initial production (yr)	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Net income royalty	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Depreciation allowance after yr 3	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Depreciation allowance new mine assets, 1st 3 yr	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Minimum depreciation allowance new mine assets	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Exploration expense allowance rate	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%
Processing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Processing allowance gross-up factor on asset value	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Processing allowance maximum of profit	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%
Financing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Income tax credit maximum annual limit (\$000)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000

Newfoundland & Labrador

Corporate income tax rate	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%
Mining tax rate	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Proportion of Net Income subject to Mining Tax	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
Mineral rights tax rate	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
Depreciation allowance Class 1&2 assets	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Depreciation allowance Class 3 assets	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Exploration expense allowance rate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Processing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Processing allowance maximum of income	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%
Income tax credit (10 yr.)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Income tax credit maximum annual limit (\$000)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000

Yukon

Corporate income tax rate	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
QMA Royalty																		
value of output 1	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
value of output 2	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
value of output 3	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
additional value of output increment	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
royalty rate at output 1	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
royalty rate at output 2	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
royalty rate at output 3	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
royalty rate for additional output increment	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Depreciation allowance rate	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%

International Fiscal Parameters, as of 2007

Current tax and royalty rates, including legislated future changes

Australia	
Federal corporate income tax rate	30%
Western Australia	
Base metal ad valorem royalty rate	5%
Tier 1 ad valorem diamond royalty rate	7.5%
Tier 2 net profit diamond royalty rate	22.5%
South Australia	
Base metal ad valorem royalty rate	3.5%
Reduced ad valorem royalty rate	1.5%
Reduced ad valorem royalty term (yr)	5
Sweden	
Corporate income tax rate	28%
Ad valorem minerals royalty	
to land owner	0.15%
to state	0.05%
total	0.20%
USA	
Federal corporate income tax rate	35%
Alternative minimum tax rate	20%
Environmental tax rate	0.12%
Alaska	
State corporate income tax rate	9.4%
Alternative minimum tax rate	18%
Mining license tax	7%
tax free period (yr)	3
tax reduction in 1st taxable year	50%
tax rate, net income up to \$40k	0%
tax rate, net income between \$40k and \$100k	5%
tax rate, net income above \$100k	7%
Production royalty on net income	3%
Nevada	
State corporate income tax rate	0%
Alternative minimum tax rate	0%
Net proceeds of minerals tax rate	5%
South Africa	
Corporate income tax rate	29%
Ad valorem unrefined base metal royalty rate	4%
Ad valorem unpolished diamond royalty rate	5%
Unpolished diamond export levy	5%

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Namibia

Corporate income tax rate - base metals	37.5%
Corporate income tax rate - diamonds	55%
Non-resident tax on dividends rate	10%
Ad valorem base metal royalty rate	3%
Ad valorem diamond royalty rate	10%

Chile

First category tax rate	17%
Additional (profits) tax rate	42%
Mining activities tax rate	5%
production threshold for mining activities tax t/y	50,000

Mexico

Corporate income tax rate	28%
Obligatory profit sharing rate	10%
Tax on assets rate	1.25%

Peru

Corporate income tax rate	
Basic tax rate	27%
Tax on dividends / profit distributions rate	4%
Effective total statutory rate	30%
Mining Royalty rates, ad valorem base tax rate	
value of sales up to \$60M	1%
value of sales from \$60M to \$120M	2%
value of sales above \$120M	3%

Denmark - Greenland

Corporate income tax rate	30%
Mineral royalty fee rate	0%

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MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 15%IRR (NWT), After Tax																				
Northwest Territories																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708	
- Normal CCA	0	0	0	11,517	154,418	74,890	10,357	12,033	13,375	14,469	15,378	16,151	16,822	17,420	17,965	18,471	16,377	12,283	421,925	
- Accelerated CCA	0	0	0	0	180,090	199,971	0	0	0	0	0	0	0	0	0	0	0	0	380,061	
= Resource Profits	0	0	0	293,607	23,320	137,657	361,927	318,243	273,063	226,246	282,632	341,351	402,430	298,831	361,418	426,443	319,232	390,322	4,456,722	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Territorial Mining Royalty Deduction	0	0	0	727	754	781	809	18,840	31,443	25,050	32,648	40,228	37,793	23,635	42,591	50,943	39,358	48,067	393,667	
- CEE	0	0	0	0	0	119,604	310,263	249,894	47,947	0	0	0	79,265	72,924	-8,085	0	0	0	871,811	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	85,232	
= Net Profit	0	0	0	265,236	-	0	39,103	43,511	193,673	201,196	249,984	301,123	285,371	202,272	326,913	375,500	279,874	342,255	3,106,011	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	265,236	0	0	39,103	43,511	193,673	201,196	249,984	301,123	285,371	202,272	326,913	375,500	279,874	342,255	3,106,011	
Basic Federal Income Tax	0	0	0	74,266	0	0	9,776	10,225	42,608	44,263	54,997	66,247	62,782	44,500	71,921	82,610	61,572	75,296	701,062	
Federal Income Surtax	0	0	0	2,971	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,971	
- Resource Income Tax Reduction	0	0	0	18,567	0	0	2,737	3,046	13,557	14,084	17,499	21,079	19,976	14,159	22,884	26,285	19,591	23,958	217,421	
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense ITC	0	0	0	58,670	0	0	7,039	7,179	0	0	0	0	7,927	8,085	0	0	0	0	88,900	
Federal Income Tax	0	0	0	0	0	0	0	29,051	30,179	37,498	45,168	34,879	22,256	49,037	56,325	41,981	51,338	397,713		
Territorial Income Tax (\$000)																				
= Taxable Income	0	0	0	265,236	0	0	39,103	43,511	193,673	201,196	249,984	301,123	285,371	202,272	326,913	375,500	279,874	342,255	3,106,011	
Provincial Income Tax	0	0	0	30,502	0	0	4,497	5,004	22,272	23,138	28,748	34,629	32,818	23,261	37,595	43,182	32,186	39,359	357,191	
Canada Mining Regulation Royalty (\$000)																				
Net Operating Revenue (incl. ITC)	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708	
- Exploration & Development Allowance	0	0	0	269,315	320,920	48,968	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	941,496	
- Depreciation Allowance	0	0	0	0	0	325,521	262,726	81,617	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	820,709	
= Income before proc all	0	0	0	35,809	36,908	38,029	39,173	176,866	268,864	222,789	279,726	338,851	320,963	215,997	359,591	424,726	335,608	402,604	3,496,504	
- Processing Allowance	0	0	0	23,276	23,990	24,719	25,462	26,220	26,994	27,782	28,587	29,408	30,245	31,098	31,969	32,858	32,858	32,858	428,324	
= Net Income for Royalty	0	0	0	12,533	12,918	13,310	13,710	150,645	241,870	195,007	251,139	309,443	290,719	184,898	327,622	391,868	302,751	369,747	3,068,180	
Territorial Mining Royalty	0	0	0	727	754	781	809	18,840	31,443	25,050	32,648	40,228	37,793	23,635	42,591	50,943	39,358	48,067	393,667	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Development Expense	0	100,000	122,400	187,272	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	711,966	
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	820,709	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	0	3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	122,573	
- Fed. Income Tax	0	0	0	0	0	0	0	0	29,051	30,179	37,498	45,168	34,879	22,256	49,037	56,325	41,981	51,338	397,713	
- Provincial Income Tax	0	0	0	0	30,502	0	0	4,497	5,004	22,272	23,138	28,748	34,629	32,818	23,261	37,595	43,182	32,186	39,359	
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Mining Tax	0	0	0	0	727	754	781	809	18,840	31,443	25,050	32,648	40,228	37,793	23,635	42,591	50,943	39,358	48,067	
= Net Cash Flow	0	-344,876	-435,203	-483,489	230,332	318,272	377,904	267,948	211,411	186,097	144,422	180,832	218,825	215,473	146,844	230,368	274,275	222,084	263,840	2,225,359

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Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 15%IRR (NWT), After Tax																				
Nunavut																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708	
- Normal CCA	0	0	0	11,517	154,418	74,890	10,357	12,033	13,375	14,469	15,378	16,151	16,822	17,420	17,965	18,471	16,377	12,283	421,925	
- Accelerated CCA	0	0	0	0	180,090	199,971	0	0	0	0	0	0	0	0	0	0	0	0	380,061	
= Resource Profits	0	0	0	293,607	23,320	137,657	361,927	318,243	273,063	226,246	282,632	341,351	402,430	298,831	361,418	426,443	319,232	390,322	4,456,722	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Territorial Mining Royalty Deduction	0	0	0	727	754	781	809	18,840	31,443	25,050	32,648	40,228	37,793	23,635	42,591	50,943	39,358	48,067	393,667	
- CEE	0	0	0	0	0	119,604	310,263	249,894	47,947	0	0	0	79,265	72,924	-8,085	0	0	0	871,811	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	85,232	
= Net Profit	0	0	0	265,236	-	0	39,103	43,511	193,673	201,196	249,984	301,123	285,371	202,272	326,913	375,500	279,874	342,255	3,106,011	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	265,236	0	0	39,103	43,511	193,673	201,196	249,984	301,123	285,371	202,272	326,913	375,500	279,874	342,255	3,106,011	
Basic Federal Income Tax	0	0	0	74,266	0	0	9,776	10,225	42,608	44,263	54,997	66,247	62,782	44,500	71,921	82,610	61,572	75,296	701,062	
Federal Income Surtax	0	0	0	2,971	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,971	
- Resource Income Tax Reduction	0	0	0	18,567	0	0	2,737	3,046	13,557	14,084	17,499	21,079	19,976	14,159	22,884	26,285	19,591	23,958	217,421	
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense ITC	0	0	0	58,670	0	0	7,039	7,179	0	0	0	0	7,927	8,085	0	0	0	0	88,900	
Federal Income Tax	0	0	0	0	0	0	0	29,051	30,179	37,498	45,168	34,879	22,256	49,037	56,325	41,981	51,338	397,713		
Territorial Income Tax (\$000)																				
= Taxable Income	0	0	0	265,236	0	0	39,103	43,511	193,673	201,196	249,984	301,123	285,371	202,272	326,913	375,500	279,874	342,255	3,106,011	
Provincial Income Tax	0	0	0	31,828	0	0	4,692	5,221	23,241	24,144	29,998	36,135	34,245	24,273	39,230	45,060	33,585	41,071	372,721	
Canada Mining Regulation Royalty (\$000)																				
Net Operating Revenue (incl. ITC)	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708	
- Exploration & Development Allowance	0	0	0	269,315	320,920	48,968	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	941,496	
- Depreciation Allowance	0	0	0	0	0	325,521	262,726	81,617	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	820,709	
= Income before proc all	0	0	0	35,809	36,908	38,029	39,173	176,866	268,864	222,789	279,726	338,851	320,963	215,997	359,591	424,726	335,608	402,604	3,496,504	
- Processing Allowance	0	0	0	23,276	23,990	24,719	25,462	26,220	26,994	27,782	28,587	29,408	30,245	31,098	31,969	32,858	32,858	32,858	428,324	
= Net Income for Royalty	0	0	0	12,533	12,918	13,310	13,710	150,645	241,870	195,007	251,139	309,443	290,719	184,898	327,622	391,868	302,751	369,747	3,068,180	
Territorial Mining Royalty	0	0	0	727	754	781	809	18,840	31,443	25,050	32,648	40,228	37,793	23,635	42,591	50,943	39,358	48,067	393,667	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Development Expense	0	100,000	122,400	187,272	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	711,966	
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	820,709	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	0	3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	122,573	
- Fed. Income Tax	0	0	0	0	0	0	0	0	29,051	30,179	37,498	45,168	34,879	22,256	49,037	56,325	41,981	51,338	397,713	
- Provincial Income Tax	0	0	0	0	31,828	0	4,692	5,221	23,241	24,144	29,998	36,135	34,245	24,273	39,230	45,060	33,585	41,071	372,721	
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Mining Tax	0	0	0	727	754	781	809	18,840	31,443	25,050	32,648	40,228	37,793	23,635	42,591	50,943	39,358	48,067	393,667	
= Net Cash Flow	0	-344,876	-435,203	-483,489	229,006	318,272	377,904	267,753	211,193	185,129	143,416	179,582	217,320	214,046	145,833	228,734	272,398	220,685	262,129	2,209,829

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MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 15%IRR (NWT), After Tax																				
British Columbia																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708
- Normal CCA	0	0	0	0	6,141	155,762	77,835	10,357	12,033	13,375	14,469	15,378	16,151	16,822	17,420	17,965	18,471	16,377	12,283	420,838
- Accelerated CCA	0	0	0	0	172,344	208,805	0	0	0	0	0	0	0	0	0	0	0	0	0	381,148
= Resource Profits	0	0	0	0	298,983	29,722	125,678	361,927	318,243	273,063	226,246	282,632	341,351	402,430	298,831	361,418	426,443	319,232	390,322	4,456,722
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- ProvincialMining Royalty Deduction	0	0	0	0	6,102	7,157	8,250	7,446	6,606	5,729	4,814	5,960	29,030	41,725	28,080	46,747	55,214	43,629	52,339	348,827
- CEE	0	0	0	0	0	0	100,356	303,626	262,128	61,597	0	0	0	79,265	72,924	-8,085	0	0	0	871,811
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest Expense	0	0	0	0	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	85,232
= Net Profit	0	0	0	0	265,236	-	0	39,103	43,511	205,738	221,432	276,672	312,321	281,440	197,828	322,757	371,228	275,602	337,983	3,150,850
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Taxable Income	0	0	0	0	265,236	0	0	39,103	43,511	205,738	221,432	276,672	312,321	281,440	197,828	322,757	371,228	275,602	337,983	3,150,850
Basic Federal Income Tax	0	0	0	0	74,266	0	0	9,776	10,225	45,262	48,715	60,868	68,711	61,917	43,522	71,006	81,670	60,633	74,356	710,927
Federal Income Surtax	0	0	0	0	2,971	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,971
- Resource Income Tax Reduction	0	0	0	0	18,567	0	0	2,737	3,046	14,402	15,500	19,367	21,862	19,701	13,848	22,593	25,986	19,292	23,659	220,560
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense ITC	0	0	0	0	58,670	0	0	7,039	7,179	0	0	0	0	7,927	8,085	0	0	0	0	88,900
Federal Income Tax	0	0	0	0	0	0	0	0	0	30,861	33,215	41,501	46,848	34,289	21,589	48,414	55,684	41,340	50,697	404,439
Provincial Income Tax (\$000)																				
Net Operating Revenue	0	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708
- Regular CCA	0	0	0	0	153,278	89,453	11,526	10,357	12,033	13,375	14,469	15,378	16,151	16,822	17,420	17,965	18,471	16,377	12,283	435,357
- Accelerated CCA	0	0	0	0	118,100	238,653	9,878	0	0	0	0	0	0	0	0	0	0	0	0	366,630
= Resource Profits	0	0	0	0	33,747	29,722	391,114	361,927	318,243	273,063	226,246	282,632	341,351	402,430	298,831	361,418	426,443	319,232	390,322	4,456,722
- Mineral Tax	0	0	0	0	6,102	7,157	8,250	7,446	6,606	5,729	4,814	5,960	29,030	41,725	28,080	46,747	55,214	43,629	52,339	348,827
- CDE	0	0	0	0	0	0	0	21,116	36,319	25,423	17,796	12,457	8,720	29,884	45,174	31,622	22,135	15,495	10,846	276,986
- CEE	0	0	0	0	0	0	365,592	292,825	0	0	0	0	0	0	0	0	0	0	0	658,417
- Interest Expense	0	0	0	0	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	85,232
= Net Profit	0	0	0	0	0	-	0	28,788	269,320	241,911	203,636	264,215	303,600	330,821	225,578	283,050	349,093	260,108	327,137	3,087,258
- Prior Years' Losses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Taxable Income	0	0	0	0	0	0	0	28,788	269,320	241,911	203,636	264,215	303,600	330,821	225,578	283,050	349,093	260,108	327,137	3,087,258
Provincial Income Tax	0	0	0	0	0	0	0	3,167	29,625	26,610	22,400	29,064	33,396	36,390	24,814	31,136	38,400	28,612	35,985	339,598
Provincial Mining Tax (\$000)																				
Stage I tax																				
Gross revenue	0	0	0	0	456,877	512,616	570,401	533,325	494,538	453,986	411,614	472,327	535,304	600,611	501,237	568,069	637,373	531,917	602,839	7,883,032
- Operating Costs	0	0	0	0	151,753	154,788	157,884	161,041	164,262	167,547	170,898	174,316	177,803	181,359	184,986	188,685	192,459	196,308	200,235	2,624,323
= Net current proceeds	0	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708
= Stage I tax	0	0	0	0	6,102	7,157	8,250	7,446	6,606	5,729	4,814	5,960	7,150	8,385	6,325	7,588	8,898	6,712	8,052	105,174
Stage II tax																				0
- Current prescribed costs	0	455,000	564,400	615,570	167,671	171,024	174,445	248,319	253,285	185,122	188,825	192,601	196,453	279,647	285,240	208,478	212,647	196,308	200,235	4,795,270
- Opening CEA balance	0	0	9,669	31,536	57,486	66,313	55,540	42,456	30,068	20,426	10,659	2,690	0	0	0	0	0	0	0	326,845
= Net revenue	0	-455,000	-1,029,069	-1,676,175	-1,444,456	-1,169,178	-828,761	-586,211	-375,027	-126,589	85,540	277,036	338,851	320,963	215,997	359,591	424,726	335,608	402,604	-4,928,550
Stage II tax	0	0	0	0	0	0	0	0	0	11,120	36,015	44,051	41,725	28,080	46,747	55,214	43,629	52,339	358,919	
- Prior year CTCA	0	0	0	0	0	6,389	14,180	23,482	32,377	40,810	48,720	44,403	15,021	0	0	0	0	0	0	225,381
- Current year Stage I tax	0	0	0	0	6,102	7,157	8,250	7,446	6,606	5,729	4,814	5,960	7,150	8,385	6,325	7,588	8,898	6,712	8,052	105,174
= Net Stage II tax	0	0	0	0	0	0	0	0	0	0	0	0	21,880	33,340	21,755	39,159	46,316	36,917	44,286	243,653
Total Stage I plus Stage II tax	0	0	0	0	6,102	7,157	8,250	7,446	6,606	5,729	4,814	5,960	29,030	41,725	28,080	46,747	55,214	43,629	52,339	348,827
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530
- Development Expense	0	100,000	122,400	187,272	0	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	711,966
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	820,709
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Interest expense	0	3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	122,573
- Fed. Income Tax	0	0	0	0	0	0	0	0	0	30,861	33,215	41,501	46,848	34,289	21,589	48,414	55,684	41,340	50,697	404,439
- Provincial Income Tax	0	0	0	0	0	0	0	3,167	29,625	26,610	22,400	29,064	33,396	36,390	24,814	31,136	38,400	28,612	35,985	339,598
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Provincial Mining Tax	0	0	0	0	6,102	7,157	8,250	7,446	6,606	5,729	4,814	5,960	29,030	41,725	28,080	46,747	55,214	43,629	52,339	348,827
= Net Cash Flow	0	-344,876	-435,203	-483,489	255,459	311,869	370,435	262,642	199,024	205,664	162,360	203,201	229,577	208,558	141,514	233,295	275,427	222,027	263,583	2,281,066

Appendix 6b - Diamond15.xls

June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total	
Larger Scale Diamond Mine, 15%IRR (NWT), After Tax																					
Alberta																					
Metallic & Diamonds																					
Federal Income Tax (\$000)																					
Net Operating Revenue	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	402,604	5,258,708	
- Normal CCA	0	0	0	8,642	155,136	76,454	10,357	12,033	13,375	14,469	15,378	16,151	16,822	17,420	17,965	18,471	16,377	12,283	12,283	421,333	
- Accelerated CCA	0	0	0	0	175,991	204,662	0	0	0	0	0	0	0	0	0	0	0	0	0	380,653	
= Resource Profits	0	0	0	296,482	26,700	131,401	361,927	318,243	273,063	226,246	282,632	341,351	402,430	298,831	361,418	426,443	319,232	390,322	390,322	4,456,722	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Mining Royalty Deduction	0	0	0	3,601	4,135	4,688	4,292	3,879	28,215	22,567	29,279	36,251	33,979	21,255	38,356	46,038	35,344	43,384	43,384	355,263	
- CEE	0	0	0	0	0	109,442	306,780	264,855	46,631	0	0	0	79,265	72,924	-8,085	0	0	0	0	0	871,811
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	0	0	85,232
= Net Profit	0	0	0	265,236	0	0	39,103	43,511	198,218	203,679	253,353	305,100	289,186	204,652	331,148	380,404	283,887	346,938	346,938	3,144,415	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	265,236	0	0	39,103	43,511	198,218	203,679	253,353	305,100	289,186	204,652	331,148	380,404	283,887	346,938	346,938	3,144,415	
Basic Federal Income Tax	0	0	0	74,266	0	0	9,776	10,225	43,608	44,809	55,738	67,122	63,621	45,024	72,853	83,689	62,455	76,326	76,326	709,511	
Federal Income Surtax	0	0	0	2,971	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,971	
- Resource Income Tax Reduction	0	0	0	18,567	0	0	2,737	3,046	13,875	14,258	17,735	21,357	20,243	14,326	23,180	26,628	19,872	24,286	24,286	220,109	
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense ITC	0	0	0	58,670	0	0	7,039	7,179	0	0	0	0	7,927	8,085	0	0	0	0	0	0	88,900
Federal Income Tax	0	0	0	0	0	0	0	0	29,733	30,552	38,003	45,765	35,451	22,613	49,672	57,061	42,583	52,041	403,473		
Provincial Income Tax (\$000)																					
Net Operating Revenue	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	402,604	5,258,708	
- Regular CCA	0	0	0	153,278	88,827	10,145	10,357	12,033	13,375	14,469	15,378	16,151	16,822	17,420	17,965	18,471	16,377	12,283	12,283	433,351	
- Accelerated CCA	0	0	0	120,601	242,300	5,735	0	0	0	0	0	0	0	0	0	0	0	0	0	368,636	
= Resource Profits	0	0	0	31,246	26,700	396,637	361,927	318,243	273,063	226,246	282,632	341,351	402,430	298,831	361,418	426,443	319,232	390,322	390,322	4,456,722	
- Resource Tax Deduction	0	0	0	3,601	4,135	4,688	4,292	3,879	28,215	22,567	29,279	36,251	33,979	21,255	38,356	46,038	35,344	43,384	43,384	355,263	
- CDE	0	0	0	0	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	0	302,294	
- CEE	0	0	0	0	0	374,678	275,498	8,242	0	0	0	0	0	0	0	0	0	0	0	658,417	
- Interest Expense	0	0	0	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	0	0	85,232
= Net Profit	0	0	0	0	0	0	0	228,331	244,849	203,679	253,353	305,100	289,186	196,726	323,063	380,404	283,887	346,938	346,938	3,055,515	
- Prior Years' Losses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	0	0	0	0	228,331	244,849	203,679	253,353	305,100	289,186	196,726	323,063	380,404	283,887	346,938	346,938	3,055,515	
Provincial Income Tax	0	0	0	0	0	0	0	22,833	24,485	20,368	25,335	30,510	28,919	19,673	32,306	38,040	28,389	34,694	305,552		
Provincial Mining Tax (\$000)																					
Gross Revenue Portion																					
Gross Revenue	0	0	0	456,877	512,616	570,401	533,325	494,538	453,986	411,614	472,327	535,304	600,611	501,237	568,069	637,373	531,917	602,839	602,839	7,883,032	
- Processing costs	0	0	0	53,113	54,176	55,259	56,364	57,492	58,642	59,814	61,011	62,231	63,476	64,745	66,040	67,361	68,708	70,082	70,082	918,513	
- Capital allowance	4,125	25,163	42,329	43,642	44,982	46,348	47,742	49,163	50,613	52,092	53,601	55,139	56,709	58,310	59,942	61,608	61,608	61,608	61,608	874,724	
= Mine mouth revenue	0	0	0	360,121	413,458	468,794	429,219	387,883	344,731	299,707	357,716	417,934	480,427	378,182	442,086	508,404	401,601	471,149	471,149	6,161,411	
Tax	0	0	0	3,601	4,135	4,688	4,292	3,879	3,447	2,997	3,577	4,179	4,804	3,782	4,421	5,084	4,016	4,711	4,711	61,614	
Net Profit Portion																					
Gross Revenue	0	0	0	456,877	512,616	570,401	533,325	494,538	453,986	411,614	472,327	535,304	600,611	501,237	568,069	637,373	531,917	602,839	602,839	7,883,032	
- Allowed operating costs	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	0	820,709	
- Allowed exportation & development costs	175,000	198,900	265,302	0	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	0	941,496	
- Processing Allowance	0	0	0	29,095	29,988	30,899	31,828	32,776	33,742	34,728	35,734	36,760	37,806	38,873	39,962	41,072	41,072	41,072	41,072	535,405	
- Operating losses carried forward	0	341,250	764,550	1,226,228	966,117	654,513	289,456	36,277	0	0	0	0	0	0	0	0	0	0	0	4,278,390	
Net revenue	-341,250	-764,550	-1,226,228	-966,117	-654,513	-289,456	-36,277	172,200	235,121	188,061	243,992	302,091	283,158	177,124	319,629	383,654	294,536	361,532	-1,317,292		
Tax	0	0	0	0	0	0	0	28,215	22,567	29,279	36,251	33,979	21,255	38,356	46,038	35,344	43,384	43,384	334,668		
Provincial Mining Tax	0	0	0	3,601	4,135	4,688	4,292	3,879	28,215	22,567	29,279	36,251	33,979	21,255	38,356	46,038	35,344	43,384	355,263		
Cash Flow from Operations (\$000)																					
Net operating revenue	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	402,604	5,258,708	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Development Expense	0	100,000	122,400	187,272	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	0	711,966	
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	820,709	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve																					
- Interest expense	3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	0	122,573	
- Fed. Income Tax	0	0	0	0	0	0	0	0	29,733	30,552	38,003	45,765	35,451	22,613	49,672	57,061	42,583	52,041	403,473		
- Provincial Income Tax	0	0	0	0	0	0	0	0	22,833	24,485	20,368	25,335	30,510	28,919	19,673	32,306	38,040	28,389	34,694	305,552	
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Mining Tax	0	0	0	3,601	4,135	4,688	4,292	3,879	28,215	22,567	29,279	36,251									

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June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 15%IRR (NWT), After Tax																				
Saskatchewan (Gold & Base Metal)																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708
- Normal CCA	0	0	0	0	12,244	154,236	74,520	10,357	12,033	13,375	14,469	15,378	16,151	16,822	17,420	17,965	18,471	16,377	12,283	422,100
- Accelerated CCA	0	0	0	0	0	181,026	198,860	0	0	0	0	0	0	0	0	0	0	0	0	379,886
= Resource Profits	0	0	0	0	292,880	22,566	139,137	361,927	318,243	273,063	226,246	282,632	341,351	402,430	298,831	361,418	426,443	319,232	390,322	4,456,722
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Provincial Mining Royalty Deduction	0	0	0	0	0	0	0	0	0	0	0	0	0	0	21,600	35,959	42,473	33,561	40,260	173,853
- CEE	0	0	0	0	0	0	121,866	311,072	268,734	26,036	0	0	0	79,265	72,924	-8,085	0	0	0	871,811
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest Expense	0	0	0	0	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	85,232
= Net Profit	0	0	0	0	265,236	-	0	39,103	43,511	247,027	226,246	282,632	341,351	323,165	204,307	333,544	383,970	285,671	350,061	3,325,825
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Taxable Income	0	0	0	0	265,236	0	0	39,103	43,511	247,027	226,246	282,632	341,351	323,165	204,307	333,544	383,970	285,671	350,061	3,325,825
Basic Federal Income Tax	0	0	0	0	74,266	0	0	9,776	10,225	54,346	49,774	62,179	75,097	71,096	44,948	73,380	84,473	62,848	77,014	749,421
Federal Income Surtax	0	0	0	0	2,971	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,971
- Resource Income Tax Reduction	0	0	0	0	18,567	0	0	2,737	3,046	17,292	15,837	19,784	23,895	22,622	14,302	23,348	26,878	19,997	24,504	232,808
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense ITC	0	0	0	0	58,670	0	0	7,039	7,179	0	0	0	0	7,927	8,085	0	0	0	0	88,900
Federal Income Tax	0	0	0	0	0	0	0	0	37,054	33,937	42,395	51,203	40,548	22,561	50,032	57,596	42,851	52,509	430,685	
Provincial Income Tax (\$000)																				
Taxable Income (from Federal Calc'n)	0	0	0	0	265,236	0	0	39,103	43,511	247,027	226,246	282,632	341,351	323,165	204,307	333,544	383,970	285,671	350,061	3,325,825
Provincial Income Tax	0	0	0	0	35,807	0	0	4,692	5,221	29,643	27,150	33,916	40,962	38,780	24,517	40,025	46,076	34,280	42,007	403,078
Provincial Capital Tax (\$000)																				
Taxable Capital	0	0	0	0	43,733	281,728	639,316	1,062,885	1,396,321	1,456,502	1,438,651	1,451,907	1,488,260	0	0	0	0	0	0	0
Basic Capital Tax	0	0	0	0	67	272	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross resource production revenue	0	0	0	0	456,877	512,616	570,401	533,325	494,538	453,986	411,614	472,327	535,304	600,611	501,237	568,069	637,373	531,917	602,839	7,883,032
Resource surcharge	0	0	0	0	14,620	15,891	17,112	16,000	14,836	13,620	12,348	14,170	16,059	18,018	15,037	17,042	19,121	15,958	18,085	2,624,323
Resource Surtax	0	0	0	0	14,553	15,619	17,112	16,000	14,836	13,620	12,348	14,170	16,059	18,018	15,037	17,042	19,121	15,958	18,085	2,624,323
Capital Tax	0	0	0	0	14,620	15,891	17,112	16,000	14,836	13,620	12,348	14,170	16,059	18,018	15,037	17,042	19,121	15,958	18,085	237,917
Provincial Mining Royalty (\$000)																				
Gross revenue	0	0	0	0	456,877	512,616	570,401	533,325	494,538	453,986	411,614	472,327	535,304	600,611	501,237	568,069	637,373	531,917	602,839	7,883,032
- Operating costs	0	0	0	0	151,753	154,788	157,884	161,041	164,262	167,547	170,898	174,316	177,803	181,359	184,986	188,685	192,459	196,308	200,235	2,624,323
- Preproduction Allowance	0	0	0	0	305,124	357,828	295,851	0	0	0	0	0	0	0	0	0	0	0	0	958,803
- Exploration & Development	0	0	0	0	0	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	302,294
- Depreciation	0	0	0	0	0	0	116,666	301,899	251,299	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	820,709
- Loss carryforward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Profit	0	0	0	0	0	0	0	7,184	268,864	222,789	279,726	338,851	320,963	215,997	359,591	424,726	335,608	402,604	3,176,903	
Basic royalty	0	0	0	0	0	0	0	359	13,443	11,139	13,986	32,813	32,096	21,600	35,959	42,473	33,561	40,260	277,690	
Royalty holiday	0	0	0	0	0	0	0	359	13,443	11,139	13,986	32,813	32,096	0	0	0	0	0	0	103,838
Provincial Mining Royalty	0	0	0	0	0	0	0	0	0	0	0	0	0	21,600	35,959	42,473	33,561	40,260	173,853	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530
- Development Expense	0	100,000	122,400	187,272	0	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	711,966
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	820,709
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense	3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	0	122,573
- Fed. Income Tax	0	0	0	0	0	0	0	0	37,054	33,937	42,395	51,203	40,548	22,561	50,032	57,596	42,851	52,509	430,685	
- Provincial Income Tax	0	0	0	0	35,807	0	0	4,692	5,221	29,643	27,150	33,916	40,962	38,780	24,517	40,025	46,076	34,280	42,007	403,078
- Provincial Capital Tax	0	0	0	0	14,620	15,891	17,112	16,000	14,836	13,620	12,348	14,170	16,059	0	0	0	0	0	0	134,656
- Provincial Mining Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	21,600	35,959	42,473	33,561	40,260	173,853	
= Net Cash Flow from Operations, After Tax	-344,876	-435,203	-483,489	211,134	303,134	361,573	252,562	215,197	188,547	149,354	189,245	230,627	241,635	147,319	233,575	278,581	224,916	267,827	2,231,659	

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June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 15%IRR (NWT), After Tax																				
Manitoba																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708	
- Normal CCA	0	0	0	12,244	149,705	69,989	10,357	12,033	13,375	14,469	15,378	16,151	16,822	17,420	17,965	18,471	16,377	12,283	413,038	
- Accelerated CCA	0	0	0	0	185,557	185,266	0	0	0	0	0	0	0	0	0	0	0	0	370,823	
= Resource Profits	0	0	0	292,880	22,566	157,263	361,927	318,243	273,063	226,246	282,632	341,351	402,430	298,831	361,418	426,443	319,232	390,322	4,474,847	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Mining Royalty Deduction	0	0	0	0	0	3,115	12,212	21,811	18,145	13,768	21,984	41,210	54,981	36,733	48,232	60,035	41,413	54,314	427,955	
- CEE	0	0	0	0	0	136,877	298,860	246,923	25,832	0	0	0	79,265	72,924	-8,085	0	0	0	852,596	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	85,232	
= Net Profit	0	0	0	265,236	-	0	39,103	43,511	229,086	212,478	260,648	300,140	268,183	189,174	321,271	366,407	277,819	336,007	3,109,064	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	265,236	0	0	39,103	43,511	229,086	212,478	260,648	300,140	268,183	189,174	321,271	366,407	277,819	336,007	3,109,064	
Basic Federal Income Tax	0	0	0	74,266	0	0	9,776	10,225	50,399	46,745	57,343	66,031	59,000	41,618	70,680	80,610	61,120	73,922	701,734	
Federal Income Surtax	0	0	0	2,971	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,971	
- Resource Income Tax Reduction	0	0	0	18,567	0	0	2,737	3,046	16,036	14,873	18,245	21,010	18,773	13,242	22,489	25,649	19,447	23,521	217,634	
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense ITC	0	0	0	58,670	0	0	7,039	7,179	0	0	0	0	7,927	8,085	0	0	0	0	88,900	
Federal Income Tax	0	0	0	0	0	0	0	0	34,363	31,872	39,097	45,021	32,301	20,291	48,191	54,961	41,673	50,401	398,171	
Provincial Income Tax (\$000)																				
Taxable Income (from Federal Calc'n)	0	0	0	265,236	0	0	39,103	43,511	229,086	212,478	260,648	300,140	268,183	189,174	321,271	366,407	277,819	336,007	3,109,064	
Provincial Income Tax	0	0	0	37,133	0	0	5,083	5,656	29,781	27,622	33,884	39,018	34,864	24,593	41,765	47,633	36,116	43,681	406,831	
Provincial Capital Tax (\$000)																				
Taxable Capital	0	0	0	75,907	328,510	712,287	1,122,580	1,421,142	1,473,284	1,449,836	1,452,826	1,466,317								
Basic Capital Tax	0	0	0	213	971	2,122	3,353	4,248	4,405	4,335	4,343	4,384								
Capital Surtax	0	0	0	122	314	697	1,108	1,406	1,458	1,435	1,438	1,451								
Capital Tax	0	0	0	335	1,284	2,819	4,460	5,655	5,863	5,769	5,781	5,835							37,802	
Provincial Mining Tax (\$000)																				
Net Operating Revenue	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708	
- Exploration Expenses	0	0	0	0	0	206,368	100,177	0	0	0	0	0	0	0	0	0	0	0	306,545	
- Depreciation Allowance	0	0	0	202,523	165,266	135,525	111,531	91,624	74,945	61,986	52,066	43,498	38,188	34,431	31,503	29,240	23,392	18,714	1,114,434	
- Tax Holiday Allowance	0	0	0	102,601	192,562	0	0	0	0	0	0	0	0	0	0	0	0	0	295,163	
= Profit before proc all	0	0	0	0	0	70,625	160,576	238,651	211,493	178,730	245,945	314,003	381,064	281,820	347,880	415,673	312,216	383,891	3,542,567	
- Processing Allowance	0	0	0	0	0	45,906	63,656	65,551	67,484	69,456	71,468	73,519	75,612	77,746	79,923	82,144	82,144	82,144	936,753	
= Taxable Profit	0	0	0	0	0	24,719	96,920	173,100	144,009	109,273	174,477	240,484	305,453	204,074	267,956	333,530	230,072	301,747	2,605,814	
Special Tax	0	0	0	0	124	485	866	720	546	872	1,202	1,527	1,020	1,340	1,668	1,150	1,509	1,509	13,029	
Mining Tax	0	0	0	0	0	4,449	17,446	31,158	25,922	19,669	31,406	43,287	54,981	36,733	48,232	60,035	41,413	54,314	469,046	
- Investment Credit	0	0	0	0	0	1,335	5,234	9,347	7,776	5,901	9,422	2,077	0	0	0	0	0	0	41,092	
- Special Tax Refund	0	0	0	0	0	124	485	866	720	546	872	1,202	1,527	1,020	1,340	1,668	1,150	1,509	13,029	
Provincial Mining Tax	0	0	0	0	0	3,115	12,212	21,811	18,145	13,768	21,984	41,210	54,981	36,733	48,232	60,035	41,413	54,314	427,955	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Development Expense	0	100,000	122,400	187,272	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	711,966	
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	820,709	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	122,573	
- Fed. Income Tax	0	0	0	0	0	0	0	0	34,363	31,872	39,097	45,021	32,301	20,291	48,191	54,961	41,673	50,401	398,171	
- Provincial Income Tax	0	0	0	37,133	0	0	5,083	5,656	29,781	27,622	33,884	39,018	34,864	24,593	41,765	47,633	36,116	43,681	406,831	
- Provincial Capital Tax	0	0	0	335	1,284	2,819	4,460	5,655	5,863	5,769	5,781	5,835	0	0	0	0	0	0	37,802	
- Provincial Mining Tax	0	0	0	0	0	3,115	12,212	21,811	18,145	13,768	21,984	41,210	54,981	36,733	48,232	60,035	41,413	54,314	427,955	
= Net Cash Flow from Operations, After Tax	-344,876	-435,203	-483,489	224,094	317,741	372,751	251,498	202,133	180,711	143,758	178,979	207,766	198,817	134,380	221,403	262,096	216,406	254,208	2,103,173	

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June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 15%IRR (NWT), After Tax Ontario																				
Diamond Royalty																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708
- Normal CCA	0	0	0	0	11,692	154,374	74,801	10,357	12,033	13,375	14,469	15,378	16,151	16,822	17,420	17,965	18,471	16,377	12,283	421,968
- Accelerated CCA	0	0	0	0	0	180,315	199,703	0	0	0	0	0	0	0	0	0	0	0	0	380,019
= Resource Profits	0	0	0	0	293,432	23,139	138,013	361,927	318,243	273,063	226,246	282,632	341,351	402,430	298,831	361,418	426,443	319,232	390,322	4,456,722
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Provincial Mining Royalty Deduction	0	0	0	0	551	573	595	617	14,622	27,724	21,085	28,864	36,397	32,340	18,458	38,525	46,796	35,530	44,163	346,840
- CEE	0	0	0	0	0	0	120,147	310,455	254,112	42,994	0	0	0	79,265	72,924	-8,085	0	0	0	871,811
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest Expense	0	0	0	0	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	85,232
= Net Profit	0	0	0	0	265,236	0	0	39,103	43,511	202,345	205,161	253,768	304,954	290,824	207,449	330,978	379,647	283,702	346,159	3,152,837
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Taxable Income	0	0	0	0	265,236	0	0	39,103	43,511	202,345	205,161	253,768	304,954	290,824	207,449	330,978	379,647	283,702	346,159	3,152,837
Basic Federal Income Tax	0	0	0	0	74,266	0	0	9,776	10,225	44,516	45,135	55,829	67,090	63,981	45,639	72,815	83,522	62,414	76,155	711,364
Federal Income Surtax	0	0	0	0	2,971	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,971
- Resource Income Tax Reduction	0	0	0	0	18,567	0	0	2,737	3,046	14,164	14,361	17,764	21,347	20,358	14,521	23,168	26,575	19,859	24,231	220,699
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense ITC	0	0	0	0	58,670	0	0	7,039	7,179	0	0	0	0	7,927	8,085	0	0	0	0	88,900
Federal Income Tax	0	0	0	0	0	0	0	0	30,352	30,774	38,065	45,743	35,697	23,032	49,647	56,947	42,555	51,924	404,737	
Provincial Income Tax (\$000)																				
Net Operating Revenue	0	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708
- Regular CCA	0	0	0	0	153,278	90,231	12,395	10,357	12,033	13,375	14,469	15,378	16,151	16,822	17,420	17,965	18,471	16,377	12,283	437,004
- Accelerated CCA	0	0	0	0	114,987	237,509	12,486	0	0	0	0	0	0	0	0	0	0	0	0	364,982
= Resource Profits	0	0	0	0	36,859	30,088	387,636	361,927	318,243	273,063	226,246	282,632	341,351	402,430	298,831	361,418	426,443	319,232	390,322	4,456,722
- Resource Allowance	0	0	0	0	9,215	7,522	96,909	90,482	79,561	68,266	56,562	70,658	85,338	100,607	74,708	90,355	106,611	79,808	97,580	1,114,180
- CDE	0	0	0	0	0	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	302,294
- CEE	0	0	0	0	0	0	273,456	189,308	160,891	34,763	0	0	0	0	0	0	0	0	0	658,417
- Interest Expense	0	0	0	0	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	85,232
= Net Profit	0	0	0	0	0	-	0	0	170,035	169,685	211,974	256,013	222,557	143,273	271,064	319,832	239,424	292,741	2,296,598	
- Prior Years' Losses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Taxable Income	0	0	0	0	0	0	0	0	170,035	169,685	211,974	256,013	222,557	143,273	271,064	319,832	239,424	292,741	2,296,598	
Basic Provincial Income Tax	0	0	0	0	0	0	0	0	20,404	20,362	25,437	30,722	26,707	17,193	32,528	38,380	28,731	35,129	275,592	
Corporate Minimum Tax	0	0	0	0	12,205	14,313	16,501	14,891	13,211	-8,947	-10,734	-13,516	-16,422	-9,937	-4,543	-7,024	0	0	0	0
Provincial Income Tax	0	0	0	0	12,205	14,313	16,501	14,891	13,211	11,458	9,629	11,920	14,300	16,770	12,650	25,504	38,380	28,731	35,129	275,592
Provincial Capital Tax (\$000)																				
Taxable Capital	0	0	0	0	81,207	319,340	673,744	1,100,250	1,410,244	1,498,167	1,492,263	1,517,149	1,565,286	0	0	0	0	0	0	0
Capital Tax	0	0	0	0	196	867	1,482	1,628	1,046	0	0	0	0	0	0	0	0	0	0	5,220
Provincial Diamond Royalty (\$000)																				
Net Operating Revenue (incl. ITC)	0	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708
- Exploration & Development Allowance	0	0	0	0	269,315	320,920	48,968	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	941,496
- Depreciation Allowance	0	0	0	0	0	0	325,521	262,726	81,617	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	820,709
= Income before proc all	0	0	0	0	35,809	36,908	38,029	39,173	176,866	268,864	222,789	279,726	338,851	320,963	215,997	359,591	424,726	335,608	402,604	3,496,504
- Processing Allowance	0	0	0	0	23,276	23,990	24,719	25,462	26,220	26,994	27,782	28,587	29,408	30,245	31,098	31,969	32,858	32,858	32,858	428,324
= Net Income after Processing Allowance	0	0	0	0	12,533	12,918	13,310	13,710	150,645	241,870	195,007	251,139	309,443	290,719	184,898	327,622	391,868	302,751	369,747	3,068,180
- Community Econ.Dev. Incentive (1)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Community Econ.Dev. Incentive (2)	0	0	0	0	2,507	2,584	2,662	2,742	30,129	27,768	28,324	28,890	29,468	41,947	36,980	31,272	31,897	29,446	30,035	356,650
= Net Income for Royalty	0	0	0	0	10,027	10,334	10,648	10,968	120,516	214,102	166,683	222,249	279,975	248,772	147,919	296,350	359,971	273,305	339,712	2,711,529
Territorial Mining Royalty	0	0	0	0	551	573	595	617	14,622	27,724	21,085	28,864	36,397	32,340	18,458	38,525	46,796	35,530	44,163	346,840

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June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 15%IRR (NWT), After Tax																				
Ontario																				
Diamond Royalty																				
Cash Flow from Operations (\$000)																				Total
Net operating revenue	0	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530
- Development Expense	0	100,000	122,400	187,272	0	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	711,966
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	820,709
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Interest expense	3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	0	122,573
- Fed. Income Tax	0	0	0	0	0	0	0	0	30,352	30,774	38,065	45,743	35,697	23,032	49,647	56,947	42,555	51,924	404,737	
- Provincial Income Tax	0	0	0	0	12,205	14,313	16,501	14,891	13,211	11,458	9,629	11,920	14,300	16,770	12,650	25,504	38,380	28,731	35,129	275,592
- Provincial Capital Tax	0	0	0	0	196	867	1,482	1,628	1,046	0	0	0	0	0	0	0	0	0	0	5,220
- Provincial Mining Tax	0	0	0	0	551	573	595	617	14,622	27,724	21,085	28,864	36,397	32,340	18,458	38,525	46,796	35,530	44,163	346,840
= Net Cash Flow from Operations, After Tax	-344,876	-435,203	-483,489	248,609	303,272	360,107	256,118	206,375	199,331	161,301	200,876	242,411	236,156	161,856	245,915	282,603	228,793	271,389	2,341,542	

Appendix 6b - Diamond15.xls

June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 15%IRR (NWT), After Tax																				
Quebec																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708	
- Normal CCA	0	0	0	10,569	154,678	75,385	10,357	12,033	13,375	14,469	15,378	16,151	16,822	17,420	17,965	18,471	16,377	12,283	421,733	
- Accelerated CCA	0	0	0	0	178,894	201,454	0	0	0	0	0	0	0	0	0	0	0	0	380,349	
= Resource Profits	0	0	0	294,555	242,555	135,678	361,927	318,243	273,063	226,246	282,632	341,351	402,430	298,831	361,418	426,443	319,232	390,322	4,456,627	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Mining Royalty Deduction	0	0	0	1,504	1,550	1,597	21,462	25,804	29,024	23,401	30,137	37,133	34,886	22,188	39,315	47,024	36,330	44,370	395,725	
- CEE	0	0	0	0	0	116,703	289,537	242,893	78,675	0	0	0	79,265	72,924	-8,085	0	0	0	871,912	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	27,815	22,705	17,378	11,825	6,035	0	0	0	0	0	0	0	0	0	0	85,758	
= Net Profit	0	0	0	265,236	0	0	39,103	43,511	165,364	202,846	252,496	304,217	288,279	203,719	330,189	379,419	282,901	345,952	3,103,231	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	265,236	0	0	39,103	43,511	165,364	202,846	252,496	304,217	288,279	203,719	330,189	379,419	282,901	345,952	3,103,231	
Basic Federal Income Tax	0	0	0	74,266	0	0	9,776	10,225	36,380	44,626	55,549	66,928	63,421	44,818	72,642	83,472	62,238	76,109	700,451	
Federal Income Surtax	0	0	0	2,971	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,971	
- Resource Income Tax Reduction	0	0	0	18,567	0	0	2,737	3,046	11,575	14,199	17,675	21,295	20,179	14,260	23,113	26,559	19,803	24,217	217,226	
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense ITC	0	0	0	58,670	0	0	7,039	7,179	0	0	0	0	7,927	8,085	0	0	0	0	88,900	
Federal Income Tax	0	0	0	0	0	0	0	0	24,805	30,427	37,874	45,633	35,315	22,473	49,528	56,913	42,435	51,893	397,296	
Provincial Income Tax (\$000)																				
Net Operating Revenue	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708	
- Regular CCA	0	0	0	153,239	88,307	9,013	10,357	12,033	13,375	14,469	15,378	16,151	16,822	17,420	17,965	18,471	16,377	12,283	431,659	
- Accelerated CCA	0	0	0	122,566	245,266	2,339	0	0	0	0	0	0	0	0	0	0	0	0	370,172	
= Resource Profits	0	0	0	29,319	24,255	401,165	361,927	318,243	273,063	226,246	282,632	341,351	402,430	298,831	361,418	426,443	319,232	390,322	4,456,877	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Resource royalties	0	0	0	1,504	1,550	1,597	21,462	25,804	29,024	23,401	30,137	37,133	34,886	22,188	39,315	47,024	36,330	44,370	395,725	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- CEE	0	0	0	0	0	382,190	328,640	90,117	0	0	0	0	79,265	80,850	0	0	0	0	961,062	
- Interest Expense	0	0	0	27,815	22,705	17,378	11,825	6,035	0	0	0	0	0	0	0	0	0	0	85,758	
= Net Profit	0	0	0	-	0	0	0	196,286	244,039	202,846	252,496	304,217	288,279	195,793	322,104	379,419	282,901	345,952	3,014,331	
- Prior Years' Losses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	0	0	0	0	196,286	244,039	202,846	252,496	304,217	288,279	195,793	322,104	379,419	282,901	345,952	3,014,331	
Provincial Income Tax	0	0	0	0	0	0	0	23,358	29,041	24,139	30,047	36,202	34,305	23,299	38,330	45,151	33,665	41,168	358,705	
Provincial Capital Tax (\$000)																				
Taxable Capital	111,323	244,451	383,718	499,406	627,213	793,102	912,698	977,687	992,047	975,241	977,140	992,296								
Capital Tax	664	1,278	1,875	1,794	1,816	2,297	2,644	2,832	2,874	2,825	2,831	2,875	0	0	0	0	0	0	0	26,606
Provincial Mining Duty (\$000)																				
Net Operating Revenue	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708	
- Depreciation Allowance	0	0	0	0	180,562	374,488	97,583	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	820,709	
- Refundable Exploration Credit	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	79,265	80,850	0	0	0	0	711,966	
= Profit before proc all	0	0	0	35,809	36,908	38,029	204,316	241,253	268,864	222,789	279,726	338,851	320,963	215,997	359,591	424,726	335,608	402,604	3,726,034	
- Processing Allowance	0	0	0	23,276	23,990	24,719	25,462	26,220	26,994	27,782	28,587	29,408	30,245	31,098	31,969	32,858	32,858	32,858	428,324	
= Taxable Income	0	0	0	12,533	12,918	13,310	178,853	215,032	241,870	195,007	251,139	309,443	290,719	184,898	327,622	391,868	302,751	369,747	3,297,710	
Provincial Mining Duty	0	0	0	1,504	1,550	1,597	21,462	25,804	29,024	23,401	30,137	37,133	34,886	22,188	39,315	47,024	36,330	44,370	395,725	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Development Expense	0	100,000	122,400	187,272	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	711,966	
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	820,709	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	3,640	11,959	21,937	27,815	22,705	17,378	11,825	6,035	0	0	0	0	0	0	0	0	0	0	123,295	
- Fed. Income Tax	0	0	0	0	0	0	0	0	24,805	30,427	37,874	45,633	35,315	22,473	49,528	56,913	42,435	51,893	397,296	
- Provincial Income Tax	0	0	0	0	0	0	0	23,358	29,041	24,139	30,047	36,202	34,305	23,299	38,330	45,151	33,665	41,168	358,705	
- Provincial Capital Tax	0	664	1,278	1,875	1,794	1,816	2,297	2,644	2,832	2,874	2,825	2,831	2,875	0	0	0	0	0	26,606	
- Provincial Mining Tax	0	0	0	0	1,504	1,550	1,597	21,462	25,804	29,024	23,401	30,137	37,133	34,886	22,188	39,315	47,024	36,330	395,725	
= Net Cash Flow from Operations, After Tax	-345,554	-436,537	-485,490	258,093	315,520	374,684	249,075	183,223	183,120	141,998	178,837	217,008	216,457	148,037	232,418	275,638	223,178	265,174	2,194,876	

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June 12, 2008

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 15%IRR (NWT), After Tax																				
New Brunswick																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	402,604	5,258,708
- Normal CCA	0	0	0	0	27,210	137,916	47,996	10,554	11,810	12,830	13,674	14,389	15,007	15,555	16,052	16,513	14,374	12,294	12,294	366,173
- Accelerated CCA	0	0	0	0	0	236,734	117,048	0	0	0	0	0	0	0	0	0	0	0	0	353,782
= Resource Profits	0	0	0	305,124	330,618	37,868	207,240	319,722	274,629	227,886	284,336	343,113	404,245	300,696	363,331	428,401	321,235	390,310	390,310	4,538,753
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- ProvincialMining Royalty Deduction	0	0	0	1,945	1,945	11,796	11,033	27,414	40,690	34,131	45,267	56,447	62,893	41,593	55,687	69,217	52,452	66,018	66,018	578,526
- CEE	0	0	0	0	0	0	135,910	232,328	222,222	137,327	0	0	79,265	72,924	-8,085	0	0	0	0	871,891
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest Expense	0	0	0	27,778	22,675	17,355	11,809	6,027	0	0	0	0	0	0	0	0	0	0	0	85,645
= Net Profit	0	0	0	275,401	305,998	8,716	48,488	53,953	11,717	56,428	239,069	286,666	262,087	186,179	315,729	359,184	268,783	324,292	324,292	3,002,691
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Taxable Income	0	0	0	275,401	305,998	8,716	48,488	53,953	11,717	56,428	239,069	286,666	262,087	186,179	315,729	359,184	268,783	324,292	324,292	3,002,691
Basic Federal Income Tax	0	0	0	77,112	81,089	2,266	12,122	12,679	2,578	12,414	52,595	63,066	57,659	40,959	69,460	79,020	59,132	71,344	71,344	693,499
Federal Income Surtax	0	0	0	3,084	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,084
- Resource Income Tax Reduction	0	0	0	19,278	21,420	610	3,394	3,777	820	3,950	16,735	20,067	18,346	13,033	22,101	25,143	18,815	22,700	22,700	210,188
- Atlantic ITC	0	0	0	60,294	1,624	1,656	1,689	1,723	1,757	1,793	1,828	1,865	1,902	1,940	1,979	2,019	0	0	0	82,071
- Exploration Expense ITC	0	0	0	624	58,046	0	7,039	7,179	0	0	0	0	7,927	8,085	0	0	0	0	0	88,900
Federal Income Tax	0	0	0	0	0	0	0	0	0	6,672	34,032	41,135	29,484	17,901	45,380	51,859	40,317	48,644	48,644	315,424
Provincial Income Tax (\$000)																				
Taxable Income (from Federal Calc'n)	0	0	0	275,401	305,998	8,716	48,488	53,953	11,717	56,428	239,069	286,666	262,087	186,179	315,729	359,184	268,783	324,292	324,292	3,002,691
Provincial Income Tax	0	0	0	33,048	36,720	1,046	5,819	6,474	1,406	6,771	28,688	34,400	31,450	22,342	37,888	43,102	32,254	38,915	38,915	360,323
Provincial Capital Tax (\$000)																				
Taxable Capital	161,989	361,692	570,619	711,028	866,603	1,106,512	1,293,178	1,408,776												
Provincial Mining Tax (\$000)																				
Metallic Minerals Royalty																				
Mine Revenue (net of transportation, smelting and further processing costs)	0	0	0	456,877	512,616	570,401	533,325	494,538	453,986	411,614	472,327	535,304	600,611	501,237	568,069	637,373	531,917	602,839	602,839	7,883,032
- Milling costs	0	0	0	53,113	54,176	55,259	56,364	57,492	58,642	59,814	61,011	62,231	63,476	64,745	66,040	67,361	68,708	70,082	70,082	918,513
- Processing allowance	0	0	0	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	338,633
= Net Revenue	0	0	0	381,188	435,864	492,567	454,385	414,471	372,769	329,224	388,741	450,497	514,560	413,916	479,453	547,437	440,633	510,181	510,181	6,625,886
Metallic minerals royalty	0	0	0	0	0	9,851	9,088	8,289	7,455	6,584	7,775	9,010	10,291	8,278	9,589	10,949	8,813	10,204	10,204	116,177
Mining Tax																				
Net Operating Revenue	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	402,604	5,258,708
- Exploration Allowance	0	0	0	0	0	100,115	117,045	0	0	0	0	0	0	0	0	0	0	0	0	217,160
- Depreciation Allowance	0	0	0	205,851	279,626	351,239	222,469	54,171	41,973	33,959	28,735	25,374	49,676	66,534	50,955	40,700	27,135	18,091	18,091	1,496,487
- Financing Allowance	0	0	0	64,541	43,470	16,696	5,880	8,669	6,717	5,434	4,598	4,060	7,949	10,647	8,154	6,513	4,342	2,895	2,895	200,566
- Provincial royalties, rental and charges	0	0	0	0	0	9,851	9,088	8,289	7,455	6,584	7,775	9,010	10,291	8,278	9,589	10,949	8,813	10,204	10,204	116,177
- 3rd party royalty, not to the province	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Profit before proc all	0	0	0	34,732	34,732	34,732	34,732	142,102	230,293	194,738	256,903	319,057	351,335	230,792	310,685	386,752	295,319	371,415	371,415	3,228,318
- Processing Allowance	0	0	0	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	338,633
Mining tax	0	0	0	1,945	1,945	1,945	1,945	19,124	33,235	27,546	37,492	47,437	52,602	33,315	46,098	58,268	43,639	55,814	55,814	462,350
Provincial Mining Tax	0	0	0	1,945	1,945	11,796	11,033	27,414	40,690	34,131	45,267	56,447	62,893	41,593	55,687	69,217	52,452	66,018	66,018	578,526
Royalty Holder Mining Tax (\$000)																				
Royalty income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mining tax on royalty income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Appendix 6b - Diamond15.xls

June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 15%IRR (NWT), After Tax																				
New Brunswick																				
Cash Flow from Operations (\$000)																				Total
Net operating revenue		0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530
- Development Expense	0	100,000	122,400	187,272	0	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	711,966
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	820,709
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Interest expense		3,636	11,947	21,911	27,778	22,675	17,355	11,809	6,027	0	0	0	0	0	0	0	0	0	0	123,140
- Fed. Income Tax		0	0	0	0	0	0	0	0	6,672	34,032	41,135	29,484	17,901	45,380	51,859	40,317	48,644	315,424	
- Provincial Income Tax		0	0	0	33,048	36,720	1,046	5,819	6,474	1,406	6,771	28,688	34,400	31,450	22,342	37,888	43,102	32,254	38,915	360,323
- Provincial Capital Tax		486	1,085	1,427	1,422	867	0	0	0	0	0	0	0	0	0	0	0	0	0	5,286
- Provincial Mining Tax		0	0	0	1,945	1,945	11,796	11,033	27,414	40,690	34,131	45,267	56,447	62,893	41,593	55,687	69,217	52,452	66,018	578,526
= Net Cash Flow from Operations, After Tax		-345,372	-436,332	-485,015	225,012	279,385	365,759	256,346	201,337	226,767	175,216	171,738	206,869	197,136	134,161	220,637	260,548	210,585	249,028	2,113,804

Appendix 6b - Diamond15.xls

June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 15%IRR (NWT), After Tax																				
Nova Scotia																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	402,604	5,258,708
- Normal CCA	0	0	0	0	10,748	142,272	52,014	10,554	11,810	12,830	13,674	14,389	15,007	15,555	16,052	16,513	14,374	12,294	12,294	358,085
- Accelerated CCA	0	0	0	0	0	232,767	129,101	0	0	0	0	0	0	0	0	0	0	0	0	361,868
= Resource Profits	0	0	0	305,124	347,080	37,478	191,169	319,722	274,629	227,886	284,336	343,113	404,245	300,696	363,331	428,401	321,235	390,310	390,310	4,538,755
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Provincial Mining Royalty Deduction	0	0	0	9,138	10,252	11,408	32,845	28,167	25,943	22,115	32,814	43,195	49,894	32,560	44,333	55,757	41,385	52,851	52,851	492,657
- CEE	0	0	0	0	0	0	98,028	231,575	236,969	161,213	0	0	79,265	72,924	-8,085	0	0	0	0	871,889
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest Expense	0	0	0	27,776	22,673	17,354	11,808	6,027	0	0	0	0	0	0	0	0	0	0	0	85,639
= Net Profit	0	0	0	268,210	314,154	8,716	48,488	53,953	11,717	44,558	251,522	299,918	275,086	195,212	327,083	372,644	279,850	337,459	337,459	3,088,570
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Taxable Income	0	0	0	268,210	314,154	8,716	48,488	53,953	11,717	44,558	251,522	299,918	275,086	195,212	327,083	372,644	279,850	337,459	337,459	3,088,570
Basic Federal Income Tax	0	0	0	75,099	83,251	2,266	12,122	12,679	2,578	9,803	55,335	65,982	60,519	42,947	71,958	81,982	61,567	74,241	74,241	712,328
Federal Income Surtax	0	0	0	3,004	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,004
- Resource Income Tax Reduction	0	0	0	18,775	21,991	610	3,394	3,777	820	3,119	17,607	20,994	19,256	13,665	22,896	26,085	19,589	23,622	23,622	216,200
- Atlantic ITC	0	0	0	59,328	2,590	1,656	1,689	1,723	1,757	1,793	1,828	1,865	1,902	1,940	1,979	2,019	0	0	0	82,071
- Exploration Expense ITC	0	0	0	0	58,670	0	7,039	7,179	0	0	0	0	7,927	8,085	0	0	0	0	0	88,900
Federal Income Tax	0	0	0	0	0	0	0	0	0	4,891	35,900	43,123	31,434	19,256	47,083	53,878	41,977	50,619	50,619	328,161
Provincial Income Tax (\$000)																				
Taxable Income (from Federal Calc'n)	0	0	0	268,210	314,154	8,716	48,488	53,953	11,717	44,558	251,522	299,918	275,086	195,212	327,083	372,644	279,850	337,459	337,459	3,088,570
Provincial Income Tax	0	0	0	32,185	37,699	1,046	5,819	6,474	1,406	5,347	30,183	35,990	33,010	23,425	39,250	44,717	33,582	40,495	40,495	370,628
Provincial Capital Tax (\$000)																				
Taxable Capital	166,989	366,692	575,622	709,526	854,974	1,093,632	1,257,229	1,371,388												
Capital Tax	501	1,008	1,439	1,596	1,710	1,640	1,257	686												9,838
Provincial Mining Tax (\$000)																				
Net Revenue Royalty																				
Mine Revenue (net of transportation, smelting and further processing costs)	0	0	0	456,877	512,616	570,401	533,325	494,538	453,986	411,614	472,327	535,304	600,611	501,237	568,069	637,373	531,917	602,839	602,839	7,883,032
Net revenue royalty	0	0	0	9,138	10,252	11,408	10,667	9,891	9,080	8,232	9,447	10,706	12,012	10,025	11,361	12,747	10,638	12,057	12,057	157,661
Mining Tax																				
Net Operating Revenue	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	402,604	5,258,708
- Exploration expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Depreciation Allowance	0	0	0	261,709	314,413	369,103	125,099	114,276	85,266	65,064	51,030	41,316	58,408	70,962	55,611	44,984	31,489	22,042	22,042	1,710,772
= Profit before proc all	0	0	0	43,414	43,414	43,414	247,185	216,000	201,173	175,652	246,980	316,185	360,844	245,289	323,772	399,930	304,119	380,562	380,562	3,547,936
- Processing Allowance	0	0	0	28,219	28,219	28,219	28,219	28,219	28,219	28,219	28,219	28,219	28,219	28,219	28,219	28,219	28,219	28,219	28,219	423,291
= Taxable Income for Mining Tax	0	0	0	15,195	15,195	15,195	218,966	187,781	172,954	147,432	218,761	287,966	332,625	217,070	295,553	371,710	275,900	352,343	352,343	3,124,645
Mining tax	0	0	0	2,279	2,279	2,279	32,845	28,167	25,943	22,115	32,814	43,195	49,894	32,560	44,333	55,757	41,385	52,851	52,851	468,697
Provincial Mining Tax	0	0	0	9,138	10,252	11,408	32,845	28,167	25,943	22,115	32,814	43,195	49,894	32,560	44,333	55,757	41,385	52,851	52,851	492,657
Cash Flow from Operations (\$000)																				
																				Total
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530
- Development Expense	0	100,000	122,400	187,272	0	0	0	70,385	71,793	0	0	0	79,265	80,850	0	0	0	0	0	711,966
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	820,709
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Interest expense	3,636	11,946	21,909	27,776	22,673	17,354	11,808	6,027	0	0	0	0	0	0	0	0	0	0	0	123,130
- Fed. Income Tax	0	0	0	0	0	0	0	0	0	4,891	35,900	43,123	31,434	19,256	47,083	53,878	41,977	50,619	50,619	328,161
- Provincial Income Tax	0	0	0	32,185	37,699	1,046	5,819	6,474	1,406	5,347	30,183	35,990	33,010	23,425	39,250	44,717	33,582	40,495	40,495	370,628
- Provincial Capital Tax	501	1,008	1,439	1,596	1,710	1,640	1,257	686												9,838
- Provincial Mining Tax	0	0	0	9,138	10,252	11,408	32,845	28,167	25,943	22,115	32,814	43,195	49,894	32,560	44,333	55,757	41,385	52,851	52,851	492,657
= Net Cash Flow from Operations, After Tax	-345,387	-436,255	-485,026	218,510	269,257	364,508	233,277	199,899	241,515	190,436	180,829	216,543	206,625	140,755	228,925	270,374	218,664	258,639	258,639	2,172,089

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 15%IRR (NWT), After Tax																				
Newfoundland & Labrador																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708	
- Normal CCA	0	0	0	0	27,281	137,879	53,289	10,554	11,810	12,830	13,674	14,389	15,007	15,555	16,052	16,513	14,374	12,294	371,500	
- Accelerated CCA	0	0	0	0	0	215,454	132,926	0	0	0	0	0	0	0	0	0	0	0	348,380	
= Resource Profits	0	0	0	305,124	330,547	59,184	186,069	319,722	274,629	227,886	284,336	343,113	404,245	300,696	363,331	428,401	321,235	390,310	4,538,828	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Mining Royalty Deduction	0	0	0	2,005	2,067	33,196	40,474	33,832	27,974	20,849	30,380	40,122	48,006	30,976	41,052	51,466	34,426	45,885	482,711	
- CEE	0	0	0	0	0	0	85,355	225,938	234,938	181,476	0	0	79,265	72,924	-8,085	0	0	0	871,811	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	85,232	
= Net Profit	0	0	0	275,474	305,914	8,716	48,488	53,953	11,717	25,561	253,957	302,990	276,974	196,796	330,363	376,935	286,809	344,425	3,099,073	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	275,474	305,914	8,716	48,488	53,953	11,717	25,561	253,957	302,990	276,974	196,796	330,363	376,935	286,809	344,425	3,099,073	
Basic Federal Income Tax	0	0	0	77,133	81,067	2,266	12,122	12,679	2,578	5,623	55,870	66,658	60,934	43,295	72,680	82,926	63,098	75,773	714,703	
Federal Income Surtax	0	0	0	3,085	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,085	
- Resource Income Tax Reduction	0	0	0	19,283	21,414	610	3,394	3,777	820	1,789	17,777	21,209	19,388	13,776	23,125	26,385	20,077	24,110	216,935	
- Atlantic ITC	0	0	0	60,294	1,624	1,656	1,689	1,723	1,757	1,793	1,828	1,865	1,902	1,940	1,979	2,019	0	0	82,071	
- Exploration Expense ITC	0	0	0	641	58,030	0	7,039	7,179	0	0	0	0	7,927	8,085	0	0	0	0	88,900	
Federal Income Tax	0	0	0	0	0	0	-	0	0	2,041	36,265	43,584	31,717	19,494	47,575	54,521	43,021	51,664	329,883	
Provincial Income Tax (\$000)																				
Taxable Income (from Federal Calc'n)	0	0	0	275,474	305,914	8,716	48,488	53,953	11,717	25,561	253,957	302,990	276,974	196,796	330,363	376,935	286,809	344,425	3,099,073	
Provincial Income Tax	0	0	0	38,566	42,828	1,220	6,788	7,553	1,640	3,579	35,554	42,419	38,776	27,551	46,251	52,771	40,153	48,219	433,870	
Provincial Mining Tax (\$000)																				
Net Operating Revenue	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708	
- Exploration Allowance	0	0	0	0	142,813	86,717	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Depreciation Allowance	0	0	0	242,003	150,795	58,666	48,181	40,401	39,704	30,426	27,346	25,126	23,554	22,469	21,751	21,311	18,507	13,880	779,069	
- Preproduction Allowance	0	0	0	27,311	27,311	33,177	39,704	39,704	39,704	39,704	39,704	39,704	39,704	39,704	39,704	39,704	39,704	39,704	39,704	
- Provincial royalties, rental and charges	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Profit before proc all	0	0	0	35,809	36,908	239,823	290,926	250,171	212,084	170,586	230,961	292,671	342,784	224,698	288,547	354,518	248,017	319,640	3,538,144	
- Processing Allowance	0	0	0	23,276	23,990	24,719	25,462	26,220	26,994	27,782	28,587	29,408	30,245	31,098	31,969	32,858	32,858	32,858	428,324	
= Net Income	0	0	0	12,533	12,918	215,104	265,464	223,951	185,090	142,803	202,374	263,264	312,539	193,599	256,578	321,661	215,160	286,782	3,109,820	
- 3rd party royalty, not to the province, or	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- 20% of net income for mining tax	0	0	0	2,507	2,584	43,021	53,093	44,790	37,018	28,561	40,475	52,653	62,508	38,720	51,316	64,332	43,032	57,356	621,964	
= Taxable Income for Pt (a) Mining Tax	0	0	0	10,027	10,334	172,084	212,371	179,161	148,072	114,243	161,899	210,611	250,031	154,879	205,262	257,329	172,128	229,426	2,487,856	
Pt (a) base mining tax	0	0	0	1,504	1,550	25,813	31,856	26,874	22,211	17,136	24,285	31,592	37,505	23,232	30,789	38,599	25,819	34,414	373,178	
Prov. corp income tax (for credit)	0	0	0	0	0	1,220	6,788	7,553	1,640	3,579	35,554	42,419	38,776	0	0	0	0	0	0	
- Prov. Income tax credit (max \$2000)	0	0	0	0	0	1,220	2,000	2,000	1,640	2,000	2,000	2,000	2,000	0	0	0	0	0	14,861	
Pt (a) mining tax	0	0	0	1,504	1,550	24,592	29,856	24,874	20,570	15,136	22,285	29,592	35,505	23,232	30,789	38,599	25,819	34,414	358,318	
Net income base for Pt (b) mining tax	0	0	0	2,507	2,584	43,021	53,093	44,790	37,018	28,561	40,475	52,653	62,508	38,720	51,316	64,332	43,032	57,356	621,964	
- 3rd party royalty, not to the province	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable income for mineral rights tax	0	0	0	2,507	2,584	43,021	53,093	44,790	37,018	28,561	40,475	52,653	62,508	38,720	51,316	64,332	43,032	57,356	621,964	
Provincial Mining Tax	0	0	0	501	517	8,604	10,619	8,958	7,404	5,712	8,095	10,531	12,502	7,744	10,263	12,866	8,606	11,471	124,393	
(Royalty Holder) Mineral Rights Tax (\$000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Royalty income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
#DIV/0!	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable income for mineral rights tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Provincial Mineral Rights Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Development Expense	0	100,000	122,400	187,272	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	711,966	
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	20,188	0	0	820,709	
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	122,573	
- Fed. Income Tax	0	0	0	0	0	0	-	0	0	2,041	36,265	43,584	31,717	19,494	47,575	54,521	43,021	51,664	329,883	
- Provincial Income Tax	0	0	0	38,566	42,828	1,220	6,788	7,553	1,640	3,579	35,554	42,419	38,776	27,551	46,251	52,771	40,153	48,219	433,870	
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Mining Tax	0	0	0	2,005	2,067	33,196	40,474	33,832	27,974	20,849	30,380	40,122	48,006	30,976	41,052	51,466	34,426	45,885	482,711	
= Net Cash Flow from Operations, After Tax	-344,876	-435,203	-483,489	220,990	274,130	344,268	225,992	193,869	239,249	196,321	177,527	212,726	202,464	137,975	224,712	265,968	218,008	256,836		

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June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 15%IRR (NWT), After Tax																				
Yukon																				
Proposed Royalty, 12% maximum rate + Modernization, March 2008 Discussion Paper																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708
- Normal CCA	0	0	0	0	0	157,297	85,877	10,637	12,243	13,533	14,587	15,467	16,217	16,872	17,458	17,993	18,492	16,393	12,294	425,358
- Accelerated CCA	0	0	0	0	0	144,782	231,811	0	0	0	0	0	0	0	0	0	0	0	0	376,593
= Resource Profits	0	0	0	0	305,124	55,749	94,830	361,647	318,033	272,906	226,128	282,544	341,284	402,380	298,794	361,390	426,422	319,216	390,310	4,456,757
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Territorial Mining Royalty Deduction	0	0	0	0	19,228	25,260	31,525	17,947	12,426	15,465	13,273	27,152	34,249	32,105	19,512	36,746	44,564	31,773	40,143	401,369
- CEE	0	0	0	0	0	46,033	292,846	256,097	132,731	0	0	0	0	79,265	72,924	-8,085	0	0	0	871,811
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest Expense	0	0	0	0	27,644	22,566	17,272	5,998	0	0	0	0	0	0	0	0	0	0	0	85,232
= Net Profit	0	0	0	0	258,252	7,923	0	39,103	43,511	124,710	212,855	255,392	307,035	291,010	206,358	332,730	381,857	287,443	350,167	3,098,344
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Taxable Income	0	0	0	0	258,252	7,923	0	39,103	43,511	124,710	212,855	255,392	307,035	291,010	206,358	332,730	381,857	287,443	350,167	3,098,344
Basic Federal Income Tax	0	0	0	0	72,310	2,100	0	9,776	10,225	27,436	46,828	56,186	67,548	64,022	45,399	73,201	84,009	63,238	77,037	699,313
Federal Income Surtax	0	0	0	0	2,892	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,892
- Resource Income Tax Reduction	0	0	0	0	18,078	555	0	2,737	3,046	8,730	14,900	17,877	21,492	20,371	14,445	23,291	26,730	20,121	24,512	216,884
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense ITC	0	0	0	0	57,125	1,545	0	7,039	7,179	0	0	0	0	7,927	8,085	0	0	0	0	88,900
Federal Income Tax	0	0	0	0	0	0	0	0	18,706	31,928	38,309	46,055	35,725	22,869	49,909	57,279	43,116	52,525	396,422	
Territorial Income Tax (\$000)																				
Taxable Income (from Federal Calc'n)	0	0	0	0	258,252	7,923	0	39,103	43,511	124,710	212,855	255,392	307,035	291,010	206,358	332,730	381,857	287,443	350,167	3,098,344
Territorial Income Tax	0	0	0	0	38,738	1,188	0	5,865	6,527	18,706	31,928	38,309	46,055	43,651	30,954	49,909	57,279	43,116	52,525	464,752
Quartz Mining Act Royalty (\$000)																				
Gross value of metal sales	0	0	0	0	456,877	512,616	570,401	533,325	494,538	453,986	411,614	472,327	535,304	600,611	501,237	568,069	637,373	531,917	602,839	7,883,032
- Post-site product transport costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Smelter & refinery charges	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Net revenue for royalty	0	0	0	0	456,877	512,616	570,401	533,325	494,538	453,986	411,614	472,327	535,304	600,611	501,237	568,069	637,373	531,917	602,839	7,883,032
- Operating costs	0	0	0	0	151,753	154,788	157,884	161,041	164,262	167,547	170,898	174,316	177,803	181,359	184,986	188,685	192,459	196,308	200,235	2,624,323
- Current exploration costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Current mine development costs	0	0	0	0	0	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	302,294
- Pre-production Development Allowance	0	0	0	0	42,613	42,613	42,613	42,613	42,613	42,613	42,613	42,613	42,613	42,613	42,613	42,613	42,613	42,613	42,613	639,202
- Depreciation Allowance	0	0	0	0	90,442	92,877	95,361	97,895	100,480	103,116	75,658	17,294	17,640	17,993	18,353	18,720	19,094	16,387	13,626	794,935
- Community Ec Development Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Net Income for Royalty	0	0	0	0	172,069	222,337	274,543	161,390	115,390	140,709	122,444	238,103	297,248	279,381	174,435	318,050	383,206	276,608	346,365	3,522,277
Territorial Mining Royalty	0	0	0	0	19,228	25,260	31,525	17,947	12,426	15,465	13,273	27,152	34,249	32,105	19,512	36,746	44,564	31,773	40,143	401,369
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530
- Development Expense	0	100,000	122,400	187,272	0	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	711,966
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	820,709
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Interest expense	3,626	11,903		21,812	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	122,573
- Fed. Income Tax	0	0	0	0	0	0	0	0	0	18,706	31,928	38,309	46,055	35,725	22,869	49,909	57,279	43,116	52,525	396,422
- Territorial Income Tax	0	0	0	0	38,738	1,188	0	5,865	6,527	18,706	31,928	38,309	46,055	43,651	30,954	49,909	57,279	43,116	52,525	464,752
- Provincial Capital Tax																				
- Territorial Mining Tax	0	0	0	0	19,228	25,260	31,525	17,947	12,426	15,465	13,273	27,152	34,249	32,105	19,512	36,746	44,564	31,773	40,143	401,369
= Net Cash Flow from Operations, After Tax	-344,876	-435,203	-483,489	203,596	292,577	347,160	249,442	216,301	215,986	145,660	175,956	212,491	209,482	142,663	223,026	265,604	217,603	257,411	2,111,388	

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June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 15%IRR (NWT), After Tax																				
Western Australia																				
Australia Federal Corporate Income Tax + Western Australia Diamond Royalty																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708	
- Depreciation	49,875	102,233	130,475	96,108	72,147	55,471	43,897	35,897	30,401	26,658	24,146	29,997	25,608	34,689	25,751	37,355	0	0	820,709	
- Exploration Expenses	0	0	0	229,530	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Allowable Capital expenditures	0	0	0	40,967	36,870	33,183	36,904	40,393	36,353	36,353	36,353	36,353	49,564	65,734	65,734	65,734	65,734	65,734	711,966	
- Interest	0	0	0	64,985	22,566	17,272	11,752	5,998	309	0	0	0	0	0	0	0	0	0	122,883	
- Investment Allowance	0	0	0	60,294	1,624	1,656	1,689	1,723	1,757	1,793	1,828	1,865	1,902	1,940	1,979	2,019	0	0	82,071	
- State Mining Royalty	0	0	0	34,266	38,446	42,780	45,327	39,307	35,359	30,871	40,916	52,200	62,978	55,734	68,826	82,056	57,462	72,536	759,065	
- R&D	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Net Profit	-49,875	-102,233	-130,475	-221,027	186,175	262,155	232,715	206,958	182,259	145,040	194,766	237,086	279,200	158,153	217,093	257,749	212,412	264,334	2,532,485	
- Losses Carried Forward	0	0	0	0	186,175	262,155	55,280	0	0	0	0	0	0	0	0	0	0	0	503,610	
= Taxable Income	0	0	0	0	0	0	177,435	206,958	182,259	145,040	194,766	237,086	279,200	158,153	217,093	257,749	212,412	264,334	2,532,485	
Federal Income Tax	0	0	0	0	0	0	53,231	62,087	54,678	43,512	58,430	71,126	83,760	47,446	65,128	77,325	63,724	79,300	759,746	
State Diamond Royalty (\$000)																				
Net Sales (sales - post-site charges)	0	0	0	456,877	512,616	570,401	533,325	494,538	453,986	411,614	472,327	535,304	600,611	501,237	568,069	637,373	531,917	602,839	7,883,032	
Tier I Ad Valorem Minimum Royalty	0	0	0	34,266	38,446	42,780	39,999	37,090	34,049	30,871	35,425	40,148	45,046	37,593	42,605	47,803	39,894	45,213	591,227	
Net Operating Revenue	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708	
- Depreciation on Allowable Capital Expenses	53,250	111,960	166,298	136,222	112,225	93,092	91,929	91,348	76,593	64,860	55,545	48,166	48,492	68,543	73,491	80,220	80,220	80,220	1,532,674	
- Exploration Expenses	0	0	0	229,530	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Interest	0	0	0	64,985	22,566	17,272	11,752	5,998	309	0	0	0	0	0	0	0	0	0	122,883	
- R&D	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Net Profit	-53,250	-111,960	-166,298	-125,613	223,037	302,154	268,603	232,930	209,536	175,856	242,466	309,335	370,760	247,708	305,892	364,693	255,388	322,384	3,373,621	
- Losses Carried Forward	0	0	0	0	223,037	234,083	0	0	0	0	0	0	0	0	0	0	0	0	457,121	
= Above-zero Profit	0	0	0	0	68,071	268,603	232,930	209,536	175,856	242,466	309,335	370,760	247,708	305,892	364,693	255,388	322,384	3,373,621		
Base Net Profits Royalty	0	0	0	0	0	15,316	60,436	52,409	47,146	39,568	54,555	69,600	83,421	55,734	68,826	82,056	57,462	72,536	759,065	
- Past Ad Valorem Royalty Offset	0	0	0	0	0	0	15,109	13,102	11,786	8,696	13,639	17,400	20,443	0	0	0	0	0	100,176	
Tier II Net Profits Royalty	0	0	0	0	0	15,316	45,327	39,307	35,359	30,871	40,916	52,200	62,978	55,734	68,826	82,056	57,462	72,536	658,889	
Royalty	0	0	0	34,266	38,446	42,780	45,327	39,307	35,359	30,871	40,916	52,200	62,978	55,734	68,826	82,056	57,462	72,536	759,065	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Development Expense	0	100,000	122,400	187,272	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	711,966	
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	820,709	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	309	0	0	0	0	0	0	0	0	0	122,883	
- Fed. Income Tax	0	0	0	0	0	0	53,231	62,087	54,678	43,512	58,430	71,126	83,760	47,446	65,128	77,325	63,724	79,300	759,746	
- Provincial Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- State Mining Royalty	0	0	0	34,266	38,446	42,780	45,327	39,307	35,359	30,871	40,916	52,200	62,978	55,734	68,826	82,056	57,462	72,536	759,065	
= Net Cash Flow from Operations, After Tax	-344,876	-435,203	-483,489	227,296	280,579	335,905	174,697	133,860	178,517	148,406	180,380	215,525	174,226	112,816	225,637	265,345	214,423	250,768	1,854,811	

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June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 15%IRR (NWT), After Tax																				
South Australia																				
Australia Federal Corporate Income Tax + South Australia Base Metal Royalty																				
Federal Income Tax (\$000)																				
Net Operating Revenue		0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708
- Depreciation		49,875	102,233	130,475	96,108	72,147	55,471	43,897	35,897	30,401	26,658	24,146	29,997	25,608	34,689	25,751	37,355	0	0	820,709
- Exploration Expenses		0	0	0	229,530	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Allowable Capital expenditures		0	0	0	40,967	36,870	33,183	36,904	40,393	36,353	36,353	36,353	36,353	49,564	65,734	65,734	65,734	65,734	65,734	711,966
- Interest		0	0	0	64,985	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	122,573
- Investment Allowance		0	0	0	60,294	1,624	1,656	1,689	1,723	1,757	1,793	1,828	1,865	1,902	1,940	1,979	2,019	0	0	82,071
- State Mining Royalty		0	0	0	6,853	7,689	8,556	8,000	17,309	15,890	14,406	16,531	18,736	21,021	17,543	19,882	22,308	18,617	21,099	234,442
- R&D		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Net Profit		-49,875	-102,233	-130,475	-193,614	216,932	296,380	270,041	228,956	202,038	161,505	219,151	270,550	321,157	196,344	266,036	317,497	251,257	315,771	3,057,418
- Losses Carried Forward		0	0	0	0	216,932	259,266	0	0	0	0	0	0	0	0	0	0	0	0	476,197
= Taxable Income		0	0	0	0	0	37,114	270,041	228,956	202,038	161,505	219,151	270,550	321,157	196,344	266,036	317,497	251,257	315,771	3,057,418
Federal Income Tax		0	0	0	0	0	11,134	81,012	68,687	60,611	48,451	65,745	81,165	96,347	58,903	79,811	95,249	75,377	94,731	917,225
State Royalty (\$000)																				
Mine Revenue (sales - post-site charges)		0	0	0	456,877	512,616	570,401	533,325	494,538	453,986	411,614	472,327	535,304	600,611	501,237	568,069	637,373	531,917	602,839	7,883,032
- prescribed costs	<i>already deducted for revenue value</i>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Proceeds for royalty		0	0	0	456,877	512,616	570,401	533,325	494,538	453,986	411,614	472,327	535,304	600,611	501,237	568,069	637,373	531,917	602,839	7,883,032
Royalty		0	0	0	6,853	7,689	8,556	8,000	0	0	0	0	0	0	0	0	0	0	0	31,098
at reduced rate for 1st 5 yr		0	0	0	0	0	0	0	17,309	15,890	14,406	16,531	18,736	21,021	17,543	19,882	22,308	18,617	21,099	203,343
on remainder		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Royalty		0	0	0	6,853	7,689	8,556	8,000	17,309	15,890	14,406	16,531	18,736	21,021	17,543	19,882	22,308	18,617	21,099	234,442
Cash Flow from Operations (\$000)																				
Net operating revenue		0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708
- Property Acquisition		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense		0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530
- Development Expense		0	100,000	122,400	187,272	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	711,966
- Capital Plant & Infrastructure		0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	820,709
- Working Capital (withdrawal is -ve)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense		3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	122,573
- Fed. Income Tax		0	0	0	0	0	11,134	81,012	68,687	60,611	48,451	65,745	81,165	96,347	58,903	79,811	95,249	75,377	94,731	917,225
- Provincial Income Tax		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Provincial Capital Tax		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- State Mining Royalty		0	0	0	6,853	7,689	8,556	8,000	17,309	15,890	14,406	16,531	18,736	21,021	17,543	19,882	22,308	18,617	21,099	234,442
= Net Cash Flow from Operations, After Tax		-344,876	-435,203	-483,489	254,708	311,336	358,995	184,242	149,259	192,363	159,931	197,449	238,950	203,595	139,550	259,898	307,169	241,614	286,774	2,222,263

Appendix 6b - Diamond15.xls

June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 15%IRR (NWT), After Tax Sweden																				
Federal Income Tax (\$000)																				
Net Operating Revenue		0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708
- Depreciation		49,875	102,233	130,475	96,108	72,147	55,471	43,897	35,897	30,401	26,658	24,146	29,997	25,608	34,689	25,751	37,355	0	0	820,709
- Exploration Expenses		0	0	0	229,530	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Allowable Capital expenditures		0	0	0	40,967	36,870	33,183	36,904	40,393	36,353	36,353	36,353	36,353	49,564	65,734	65,734	65,734	65,734	65,734	711,966
- Interest		0	0	0	64,985	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	122,573
- Investment Allowance		0	0	0	60,294	1,624	1,656	1,689	1,723	1,757	1,793	1,828	1,865	1,902	1,940	1,979	2,019	0	0	82,071
- State Mining Royalty		0	0	0	914	1,025	1,141	1,067	989	908	823	945	1,071	1,201	1,002	1,136	1,275	1,064	1,206	15,766
- R&D		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Net Profit		-49,875	-102,233	-130,475	-187,675	223,596	303,795	276,975	245,275	217,019	175,088	234,738	288,215	340,977	212,885	284,783	338,531	268,810	335,665	3,276,093
- Losses Carried Forward		0	0	0	0	223,596	246,662	0	0	0	0	0	0	0	0	0	0	0	0	470,258
= Taxable Income		0	0	0	0	0	57,133	276,975	245,275	217,019	175,088	234,738	288,215	340,977	212,885	284,783	338,531	268,810	335,665	3,276,093
Federal Income Tax		0	0	0	0	0	15,997	77,553	68,677	60,765	49,025	65,727	80,700	95,474	59,608	79,739	94,789	75,267	93,986	917,306
Royalty (\$000)																				
Mine Revenue (sales - post-site charges)		0	0	0	456,877	512,616	570,401	533,325	494,538	453,986	411,614	472,327	535,304	600,611	501,237	568,069	637,373	531,917	602,839	7,883,032
- prescribed costs					<i>already deducted for revenue value</i>															
Proceeds for royalty		0	0	0	456,877	512,616	570,401	533,325	494,538	453,986	411,614	472,327	535,304	600,611	501,237	568,069	637,373	531,917	602,839	7,883,032
Royalty		0	0	0	914	1,025	1,141	1,067	989	908	823	945	1,071	1,201	1,002	1,136	1,275	1,064	1,206	15,766
Cash Flow from Operations (\$000)																				
Net operating revenue		0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708
- Property Acquisition		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense		0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530
- Development Expense		0	100,000	122,400	187,272	0	0	0	70,385	71,793	0	0	0	79,265	80,850	0	0	0	0	711,966
- Capital Plant & Infrastructure		0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	820,709
- Working Capital (withdrawal is -ve)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Interest expense		3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	122,573
- Fed. Income Tax		0	0	0	0	0	15,997	77,553	68,677	60,765	49,025	65,727	80,700	95,474	59,608	79,739	94,789	75,267	93,986	917,306
- Fed. Large Corp. Tax		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Provincial Capital Tax		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- State Mining Royalty		0	0	0	914	1,025	1,141	1,067	989	908	823	945	1,071	1,201	1,002	1,136	1,275	1,064	1,206	15,766
= Net Cash Flow from Operations, After Tax		-344,876	-435,203	-483,489	260,648	318,000	361,547	194,635	165,588	207,190	172,941	213,054	257,080	224,289	155,386	278,716	328,662	259,278	307,413	2,440,858

Larger Scale Diamond Mine, 15%IRR (NWT), After Tax
USA, Alaska

Royalty: Alaska Mining License Tax and Production Royalty

Federal Income Tax (\$000)	initial	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Net Revenue	0	0	0	0	456,877	512,616	570,401	533,325	494,538	453,986	411,614	472,327	535,304	600,611	501,237	568,069	637,373	531,917	602,839	7,883,032
- Operating Costs	0	0	0	0	151,753	154,788	157,884	161,041	164,262	167,547	170,898	174,316	177,803	181,359	184,986	188,685	192,459	196,308	200,235	2,624,323
Gross Income	0	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708
Net assets for depreciation	0																			0
New exploration/acquisition to be amortized	0	75,000	76,500	78,030	0															229,530
Net exploration expense pool	0	60,000	106,200	138,324	92,418	46,512	15,606		0	0	0	0	0	0	0	0	0	0	0	459,060
New development to be amortized	0	100,000	122,400	187,272	0	0	21,116	21,538	0	0	0	0	0	23,780	24,255	0	0	0	0	500,360
Net development expense pool	0	80,000	157,920	263,258	181,323	99,389	37,454	16,892	29,900	21,369	12,838	4,308	-	19,024	33,672	24,065	14,458	4,851	0	1,000,720
- Depreciation					4,549	12,437	18,254	22,595	25,890	29,248	32,676	34,749	35,444	36,153	36,876	37,614	38,366	33,248	23,827	421,928
- Current exploration expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Amortized exploration expense		15,000	30,300	45,906	45,906	45,906	30,906	15,606												229,530
- Current development expense		0	0	0	0	0	49,270	50,255	0	0	0	0	0	55,486	56,595	0	0	0	0	211,605
- Amortized development expense		20,000	44,480	81,934	81,934	61,934	41,678	8,531	8,531	8,531	8,531	4,308	4,308	4,756	9,607	9,607	9,607	9,607	9,607	500,360
- Interest Expense		0	0	0	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	85,232
- State Income Tax		0	0	0	1,305	1,612	12,354	13,479	15,210	17,051	13,464	17,376	21,970	21,086	13,105	22,881	27,511	20,158	26,267	244,830
- State Mining License Tax		0	0	0	0	0	9,103	15,349	12,704	9,928	12,913	16,093	18,840	12,519	15,790	19,124	13,375	17,686	173,425	
- State Royalty		0	0	0	6,885	7,900	9,025	7,803	6,578	5,445	4,255	5,534	6,897	8,074	5,365	6,767	8,196	5,732	7,580	102,036
- Environmental Tax		0	0	0	44	54	179	166	191	196	150	212	283	320	213	290	350	255	334	3,237
- Reclamation Reserve Deduction		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Reclamation Reserve Income																				0
Depletable gross income					298,239	349,928	403,492	364,481	323,698	280,994	236,461	292,476	350,604	411,178	310,886	372,616	436,718	329,876	395,025	5,156,672
Net income before depletion					136,856	185,419	262,593	200,832	202,273	213,264	171,713	218,695	272,506	274,537	181,971	218,695	341,760	253,233	322,059	3,524,145
Additions to depletable cost of property	0	241,250	300,900	274,406	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	1,050,239
Unit cost of additions to depletable property	0																			0
Depletable cost of property	0	241,250	542,150	816,556	832,474	848,710	865,271	882,164	899,394	916,969	934,895	953,180	971,831	990,854	1,010,259	1,030,051	1,050,239	1,050,239	1,050,239	724,017
Unreduced cost depletion					34,346	39,359	44,785	42,874	40,757	38,404	35,785	42,266	49,405	57,323	49,595	58,468	68,570	57,225	64,855	
Net depletion pool					766,861	706,113	633,906	570,613	516,630	472,386	438,291	392,231	333,749	262,313	213,322	151,139	75,249	2,676	0	0
Cost depletion	0	0	0	0	34,346	39,359	44,785	42,874	40,757	38,404	35,785	42,266	49,405	57,323	49,595	58,468	68,570	57,225	2,676	661,838
% depletion					65,613	76,984	88,768	80,186	71,213	61,819	52,021	64,345	77,133	90,459	68,395	81,976	96,078	72,573	86,905	1,134,468
- Depletion Allowance					65,613	76,984	88,768	80,186	71,213	61,819	52,021	64,345	77,133	90,459	68,395	81,976	96,078	72,573	86,905	1,134,468
= Taxable income before sp. dedns		-35,000	-74,780	-127,840	71,244	108,435	173,825	120,647	131,060	151,445	119,691	154,350	195,374	184,078	113,577	204,458	245,683	180,660	235,153	2,152,057
- Losses carried forward		0	0	0	71,244	108,435	57,942	0	0	0	0	0	0	0	0	0	0	0	0	237,620
- Losses carried back																				0
cumulative operating losses, prior years		35,000	109,780	237,620	166,377	57,942	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Taxable Income		0	0	0	0	0	115,882	120,647	131,060	151,445	119,691	154,350	195,374	184,078	113,577	204,458	245,683	180,660	235,153	2,152,057
Regular Federal Income Tax		0	0	0	0	0	40,559	42,226	45,871	53,006	41,892	54,022	68,381	64,427	39,752	71,560	85,989	63,231	82,304	753,220
Alternative Minimum Tax Calculation																				
Regular taxable income	0	0	0	0	0	0	115,882	120,647	131,060	151,445	119,691	154,350	195,374	184,078	113,577	204,458	245,683	180,660	235,153	2,152,057
+ excess % depletion		0	0	0	31,267	37,625	43,983	37,312	30,457	23,414	16,237	22,079	27,728	33,136	18,800	23,507	27,508	15,348	22,051	410,451
depreciation claimed above		0	0	0	4,549	12,437	18,254	22,595	25,890	29,248	32,676	34,749	35,444	36,153	36,876	37,614	38,366	33,248	23,827	421,928
net assets for depreciation	0	249,375	585,975	880,538	775,174	574,558	431,703	330,116	257,911	183,794	107,544	65,334	71,031	72,451	73,900	75,378	76,886	51,950	34,079	4,902,000
150% decl bal depreciation					129,241	224,972	167,697	126,926	98,050	100,480	103,139	60,583	26,583	27,115	27,657	28,210	28,774	24,936	17,870	1,196,984
+ depreciation adjustment		0	0	0	-124,692	-212,535	-149,443	-104,330	-72,159	-71,232	-70,463	-30,585	8,861	9,038	9,219	9,403	9,591	8,312	5,957	-775,056
current expl/mine dev claimed above	0	0	0	0	0	0	0	49,270	50,255	0	0	0	0	55,486	56,595	0	0	0	211,605	
net expl/mine dev for amortization	0	0	0	0	0	0	44,343	84,645	74,693	64,740	54,788	44,835	84,820	120,255	99,094	77,934	61,700	50,492	862,338	
current expl/mine dev amortized	0	0	0	0	0	0	4,927	9,952	9,952	9,952	9,952	9,952	15,501	21,161	21,161	21,161	16,234	11,208	161,114	
+ exploration/development adjustment		0	0	0	0	0	44,343	40,303	-9,952	-9,952	-9,952	-9,952	39,985	35,435	-21,161	-21,161	-16,234	-11,208	50,492	
AMTI before current earnings adjustment	0	0	0	0	-93,424	-174,909	10,423	97,971	129,659	93,675	55,512	135,891	222,010	266,236	177,031	216,208	261,621	188,086	251,953	1,837,943
+ adj current earnings adjustment		0	0	0	129,676	219,682	138,720	39,920	29,046	69,875	68,981	40,871	13,955	0	25,484	29,431	24,071	26,301	856,014	
AMTI before AMT/NOL adjustment	0	0	0	0	36,252	44,773	149,143	137,891	158,706	163,550	124,494	176,762	235,965	266,236	177,031	241,692	291,053	212,157	278,254	2,693,957
- Losses carried forward		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
cumulative operating losses, prior years		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Larger Scale Diamond Mine, 15%IRR (NWT), After Tax

USA, Alaska

Royalty: Alaska Mining License Tax and Production Royalty

Alternative minimum taxable income	0	0	0	36,252	44,773	149,143	137,891	158,706	163,550	124,494	176,762	235,965	266,236	177,031	241,692	291,053	212,157	278,254	2,693,957	
Tentative alternative minimum tax	0	0	0	7,250	8,955	29,829	27,578	31,741	32,710	24,899	35,352	47,193	53,247	35,406	48,338	58,211	42,431	55,651	538,791	
- AMT exemption amount	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Regular income tax	0	0	0	0	0	40,559	42,226	45,871	53,006	41,892	54,022	68,381	64,427	39,752	71,560	85,989	63,231	82,304	753,220	
Alternative minimum tax	0	0	0	7,250	8,955	0	0	0	0	0	0	0	0	0	0	0	0	0	16,205	
Environmental Tax																				
Alternative minimum taxable income	0	0	0	36,252	44,773	149,143	137,891	158,706	163,550	124,494	176,762	235,965	266,236	177,031	241,692	291,053	212,157	278,254	2,693,957	
+ environmental tax deducted in calcs	0	0	0	44	54	179	166	191	196	150	212	283	320	213	290	350	255	334	3,237	
- exemption	0	0	0	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	30	
Environmental taxable income	0	0	0	36,293	44,825	149,320	138,054	158,895	163,744	124,641	176,973	236,246	266,554	177,241	241,981	291,400	212,410	278,586	2,697,164	
Environmental tax	0	0	0	44	54	179	166	191	196	150	212	283	320	213	290	350	255	334	3,237	
Federal Income Tax	0	0	0	7,294	9,008	40,738	42,392	46,062	53,202	42,042	54,235	68,664	64,747	39,964	71,851	86,339	63,486	82,638	772,661	
Alaska Income Tax (\$000)																				
Gross Income	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708	
- Depreciation	0	0	0	4,549	12,437	18,254	22,595	25,890	29,248	32,676	34,749	35,444	36,153	36,876	37,614	38,366	33,248	23,827	421,928	
- Current exploration expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Amortized exploration expense	0	15,000	30,300	45,906	45,906	30,906	15,606	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Current development expense	0	0	0	0	0	0	49,270	50,255	0	0	0	0	55,486	56,595	0	0	0	0	211,605	
- Amortized development expense	0	20,000	44,480	81,934	81,934	61,934	41,678	8,531	8,531	8,531	4,308	4,756	9,607	9,607	9,607	9,607	9,607	4,851	500,360	
- Interest Expense	0	0	0	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	85,232	
- State Income Tax	0	0	0	6,885	7,900	9,025	7,803	6,578	5,445	4,255	5,534	6,897	8,074	5,365	6,767	8,196	5,732	7,580	102,036	
- Reclamation Reserve Deduction	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Reclamation Reserve Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Depletable gross income	0	0	0	298,239	349,928	403,492	364,491	323,698	280,994	236,461	292,476	350,604	411,178	310,886	372,616	436,718	329,876	395,025	5,156,672	
Net income before depletion	0	0	0	138,205	187,084	275,126	223,580	233,023	243,215	195,254	249,196	310,852	314,783	207,808	325,395	388,745	287,021	366,346	3,945,637	
Additions to depletable cost of property	0	241,250	300,900	274,406	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	1,050,239	
Unit cost of additions to depletable property	0																	0	0	
Depletable cost of property	0	241,250	542,150	816,556	832,474	848,710	865,271	882,164	899,394	916,969	934,895	953,180	971,831	990,854	1,010,259	1,030,051	1,050,239	1,050,239	1,050,239	
Unreduced cost depletion	0				42,880	40,949	38,829	36,496	33,923	39,956	46,538	53,746	46,261	54,218	63,064	54,748	64,855	66,152	67,475	750,088
Net depletion pool	0				766,861	706,113	633,906	570,613	516,630	472,386	438,291	392,231	333,749	262,313	213,322	151,139	75,249	2,676	0	0
Cost depletion	0				42,880	40,949	38,829	36,496	33,923	39,956	46,538	53,746	46,261	54,218	63,064	54,748	64,855	66,152	67,475	685,289
% depletion	0				65,613	76,984	88,768	80,186	71,213	61,819	52,021	64,345	77,133	90,459	68,395	81,976	96,078	72,573	86,905	1,134,468
- Depletion Allowance	0	0	0	0	65,613	76,984	88,768	80,186	71,213	61,819	52,021	64,345	77,133	90,459	68,395	81,976	96,078	72,573	86,905	1,134,468
- Taxable income before sp. dedns	0	-35,000	-74,780	-127,840	72,592	110,100	186,358	143,395	161,810	181,397	143,233	184,852	233,720	224,324	139,413	243,420	292,667	214,448	279,441	2,573,548
- Losses carried forward	0	0	0	0	72,592	110,100	54,928	0	0	0	0	0	0	0	0	0	0	0	0	237,620
- Losses carried back	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
cumulative operating losses, prior years	35,000	109,780	237,620	165,028	54,928	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
cumulative operating losses, future years	0	0	0	0	0	131,430	143,395	161,810	181,397	143,233	184,852	233,720	224,324	139,413	243,420	292,667	214,448	279,441	2,573,548	
Alaska taxable income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Regular Alaska income tax	0	0	0	0	0	12,354	13,479	15,210	17,051	13,464	17,376	21,970	21,086	13,105	22,881	27,511	20,158	26,267	241,914	
Alaska Alternative Minimum Tax																				
Regular Alaska taxable income	0	0	0	0	0	131,430	143,395	161,810	181,397	143,233	184,852	233,720	224,324	139,413	243,420	292,667	214,448	279,441	2,573,548	
+ excess % depletion	0	0	0	31,267	37,625	43,983	37,312	30,457	23,414	16,237	22,079	27,728	33,136	18,800	23,507	27,508	15,348	22,051	410,451	
+ depreciation adjustment	0	0	0	-124,692	-212,535	-149,443	-104,330	-72,159	-71,232	-70,463	-30,585	8,861	9,038	9,219	9,403	9,591	8,312	5,957	-775,056	
+ exploration/development adjustment	0	0	0	0	0	0	44,343	40,303	-9,952	-9,952	-9,952	39,985	35,435	-21,161	-21,161	-16,234	-11,208	50,492		
AMTI before current earnings adjustment	0	0	0	-93,424	-174,909	25,971	120,719	160,409	123,626	79,054	166,393	260,356	306,483	202,867	255,170	308,606	221,875	296,240	2,259,435	
+ adj current earnings adjustment	0	0	0	129,676	219,682	127,060	22,859	5,984	47,411	51,325	17,995	0	0	0	0	0	0	0	621,992	
AMTI before AMT/NOL adjustment	0	0	0	36,252	44,773	153,030	143,578	166,393	171,038	130,379	184,388	260,356	306,483	202,867	255,170	308,606	221,875	296,240	2,881,427	
- AMT/NOL Losses carried forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
cumulative operating losses, prior years	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Alternative minimum taxable income	0	0	0	36,252	44,773	153,030	143,578	166,393	171,038	130,379	184,388	260,356	306,483	202,867	255,170	308,606	221,875	296,240	2,881,427	
Tentative alternative minimum tax	0	0	0	1,305	1,612	5,509	5,169	5,990	6,157	4,694	6,638	9,373	11,033	7,303	9,186	11,110	7,987	10,665	103,731	
- AMT exemption amount	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Regular income tax	0	0	0	0	0	12,354	13,479	15,210	17,051	13,464	17,376	21,970	21,086	13,105	22,881	27,511	20,158	26,267	241,914	
Alternative minimum tax	0	0	0	1,305	1,612	0	0	0	0	0	0	0	0	0	0	0	0	0	2,917	
Alaska Income Tax	0	0	0	1,305	1,612	12,354	13,479	15,210	17,051	13,464	17,376	21,970	21,086	13,105	22,881	27,511	20,158	26,267	244,830	

Larger Scale Diamond Mine, 15%IRR (NWT), After Tax
USA, Alaska

Royalty: Alaska Mining License Tax and Production Royalty

Alaska Mining License Tax and Production Royalty (\$000)	2,005	2,006	2,007	2,008	2,009	2,010	2,011	2,012	2,013	2,014	2,015	2,016	2,017	2,018	2,019	2,020	2,021	Total		
Alaska Mining License Tax																				
Gross Income	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708	
- Treatment process deduction																			0	
= Net Income	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708	
Exploration/development expenses	0	175,000	198,900	265,302	0	0	70,385	71,793	0	0	0	79,265	80,850	0	0	0	0	0	941,496	
Net exploration/development pool	0	175,000	373,900	639,202	612,852	583,287	550,390	585,849	621,087	587,530	557,104	522,191	482,623	509,612	539,521	481,788	417,010	362,951	301,684	8,903,582
Unit cost of new expl/dev	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Depreciation	0	0	0	4,549	12,437	18,254	22,595	25,890	29,248	32,676	34,749	35,444	36,153	36,876	37,614	38,366	33,248	23,827	421,928	
- Amortized exploration expense				26,350	29,565	32,897	34,926	36,555	33,557	30,425	34,913	39,568	52,276	50,941	57,734	64,777	54,059	61,267	639,812	
= Net income before depletion				274,224	315,826	361,366	314,763	267,831	223,633	177,614	228,348	282,489	330,823	228,434	284,036	341,771	248,301	317,510	4,196,968	
Depletable cost of property	0	241,250	542,150	816,556	832,474	848,710	865,271	882,164	899,394	916,969	934,895	953,180	971,831	990,854	1,010,259	1,030,051	1,050,239	1,050,239	15,886,724	
Net depletion pool		241,250	542,150	816,556	787,738	751,485	707,522	669,743	636,418	613,844	595,986	570,399	536,459	493,806	463,616	424,939	376,557	319,333	254,478	254,478
Cost depletion		0	0	34,346	39,359	44,785	42,874	40,757	38,404	35,785	42,266	49,405	57,323	49,595	58,468	68,570	57,225	64,855	724,017	
% depletion				44,736	52,489	60,524	54,672	48,555	42,149	35,469	43,871	52,591	61,677	46,633	55,892	65,508	49,481	59,254	773,501	
- Interest Expense	0	0	0	44,736	52,489	60,524	54,672	48,555	42,149	35,785	43,871	52,591	61,677	49,595	58,468	68,570	57,225	64,855	795,761	
Mining license taxable income	0	0	0	229,489	263,337	300,842	260,091	219,276	181,484	141,830	184,477	229,898	269,147	178,839	225,567	273,201	191,076	252,655	3,401,207	
Alaska mining license tax	0	0	0	0	0	9,103	15,349	12,704	9,928	12,913	16,093	18,840	12,519	15,790	19,124	13,375	17,686	173,425		
Production Royalty																				
Net income for production royalty	0	0	0	229,489	263,337	300,842	260,091	219,276	181,484	141,830	184,477	229,898	269,147	178,839	225,567	273,201	191,076	252,655	3,401,207	
Alaska Production Royalty	0	0	0	6,885	7,900	9,025	7,803	6,578	5,445	4,255	5,534	6,897	8,074	5,365	6,767	8,196	5,732	7,580	102,036	
Alaska Mining License Tax and Royalty	0	0	0	6,885	7,900	9,025	16,906	21,928	18,148	14,183	18,448	22,990	26,915	17,884	22,557	27,320	19,108	25,265	275,461	
Cash Flow from Operations (\$000)																			Total	
Net operating revenue	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Development Expense	0	100,000	122,400	187,272	0	0	70,385	71,793	0	0	0	79,265	80,850	0	0	0	0	0	711,966	
- Capital Plant & Infrastructure	0	140,000	197,625	172,967	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	744,275	
- Infrastructure	0	26,250	26,775	23,409	0	0	0	0	0	0	0	0	0	0	0	0	0	0	76,434	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve																				
- Interest expense		3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	122,573	
- Fed. Income Tax	0	0	0	7,294	9,008	40,738	42,392	46,062	53,202	42,042	54,235	68,664	64,747	39,964	71,851	86,339	63,486	82,638	772,661	
- Provincial Income Tax	0	0	0	1,305	1,612	12,354	13,479	15,210	17,051	13,464	17,376	21,970	21,086	13,105	22,881	27,511	20,158	26,267	244,830	
- Provincial Capital Tax																				
- Provincial Mining Tax	0	0	0	6,885	7,900	9,025	16,906	21,928	18,148	14,183	18,448	22,990	26,915	17,884	22,557	27,320	19,108	25,265	275,461	
= Net Cash Flow	0	-344,876	-435,203	-483,489	246,078	300,505	316,567	200,477	152,055	180,462	153,101	189,667	225,227	208,215	145,044	242,302	283,556	232,857	2,080,978	

Larger Scale Diamond Mine, 15%IRR (NWT), After Tax
USA, Nevada

Federal Income Tax (\$000)	initial	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Net Revenue	0	0	0	0	456,877	512,616	570,401	533,325	494,538	453,986	411,614	472,327	535,304	600,611	501,237	568,069	637,373	531,917	602,839	7,883,032
- Operating Costs	0	0	0	0	151,753	154,788	157,884	161,041	164,262	167,547	170,898	174,316	177,803	181,359	184,986	188,685	192,459	196,308	200,235	2,624,323
Gross Income	0	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708
Net assets for depreciation	0																			0
New exploration/acquisition to be amortized	0	75,000	76,500	78,030	0															229,530
Net exploration expense pool	0	60,000	106,200	138,324	92,418	46,512	15,606	0	0	0	0	0	0	0	0	0	0	0	0	459,060
New development to be amortized	0	100,000	122,400	187,272	0	0	0	21,116	21,538	0	0	0	0	23,780	24,255	0	0	0	0	500,360
Net development expense pool	0	80,000	157,920	263,258	181,323	99,389	37,454	16,892	29,900	21,369	12,838	4,308	-	19,024	33,672	24,065	14,458	4,851	0	1,000,720
- Depreciation					4,549	12,437	18,254	22,595	25,890	29,248	32,676	34,749	35,444	36,153	36,876	37,614	38,366	33,248	23,827	421,928
- Current exploration expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Amortized exploration expense		15,000	30,300	45,906	45,906	45,906	30,906	15,606												229,530
- Current development expense		0	0	0	0	0	0	49,270	50,255	0	0	0	0	55,486	56,595	0	0	0	0	211,605
- Amortized development expense		20,000	44,480	81,934	81,934	81,934	61,934	41,678	8,531	8,531	8,531	8,531	4,308	4,756	9,607	9,607	9,607	9,607	4,851	500,360
- Interest Expense		0	0	0	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	85,232
- State Income Tax		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- State Mining License Tax		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- State Royalty		0	0	0	0	15,900	18,729	13,283	11,188	12,654	10,429	13,348	16,371	15,538	10,347	17,579	20,884	15,519	18,960	210,729
- Environmental Tax		0	0	0	43	55	183	172	199	205	156	221	301	359	237	301	362	264	346	3,404
- Reclamation Reserve Deduction	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Reclamation Reserve Income																				0
Depletable gross income					305,124	341,928	393,789	359,001	319,088	273,784	230,287	284,663	341,130	403,714	305,905	361,804	424,029	320,089	383,644	5,047,979
Net income before depletion					145,047	179,030	265,240	217,929	228,214	235,801	188,924	241,162	301,077	306,961	202,589	314,283	375,694	276,970	354,620	3,833,540
Additions to depletable cost of property	0	241,250	300,900	274,406	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	1,050,239
Unit cost of additions to depletable property	0																			0
Depletable cost of property	0	241,250	542,150	816,556	832,474	848,710	865,271	882,164	899,394	916,969	934,895	953,180	971,831	990,854	1,010,259	1,030,051	1,050,239	1,050,239	1,050,239	10,502,390
Unreduced cost depletion					34,346	39,359	44,785	42,874	40,757	38,404	35,785	42,266	49,405	57,323	49,595	58,468	68,570	57,225	64,855	724,017
Net depletion pool					765,346	706,359	636,286	574,199	521,230	478,572	445,835	401,494	345,096	275,303	227,408	167,603	94,505	24,085	0	0
Cost depletion	0	0	0	0	34,346	39,359	44,785	42,874	40,757	38,404	35,785	42,266	49,405	57,323	49,595	58,468	68,570	57,225	24,085	683,247
% depletion					67,127	75,224	86,634	78,980	70,199	60,233	50,663	62,626	75,049	88,817	67,299	79,597	93,286	70,420	84,402	1,110,555
- Depletion Allowance					67,127	75,224	86,634	78,980	70,199	60,233	50,663	62,626	75,049	88,817	67,299	79,597	93,286	70,420	84,402	1,110,555
= Taxable income before sp. dedns		-35,000	-74,780	-127,840	77,920	103,805	178,607	138,948	158,015	175,569	138,261	178,536	226,029	218,144	135,290	234,686	282,408	206,551	270,218	2,485,364
- Losses carried forward		0	0	0	77,920	103,805	55,895	0	0	0	0	0	0	0	0	0	0	0	0	237,620
- Losses carried back																				0
cumulative operating losses, prior years		35,000	109,780	237,620	159,701	55,895	0	0	0	0	0	0	0	0	0	0	0	0	0	0
cumulative operating losses, future years																				0
= Taxable Income		0	0	0	0	0	122,712	138,948	158,015	175,569	138,261	178,536	226,029	218,144	135,290	234,686	282,408	206,551	270,218	2,485,364
Regular Federal Income Tax		0	0	0	0	0	42,949	48,632	55,305	61,449	48,391	62,488	79,110	76,350	47,351	82,140	98,843	72,293	94,576	869,878

**Larger Scale Diamond Mine, 15%IRR (NWT), After Tax
USA, Nevada**

Alternative Minimum Tax Calculation	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total		
Regular taxable income	0	0	0	0	0	122,712	138,948	158,015	175,569	138,261	178,536	226,029	218,144	135,290	234,686	282,408	206,551	270,218	2,485,364	
+ excess % depletion	0	0	0	0	32,782	35,865	41,848	36,106	29,443	21,828	14,878	20,360	25,644	31,494	17,704	21,128	24,716	13,195	19,547	386,539
depreciation claimed above net assets for depreciation	0	0	0	0	4,549	12,437	18,254	22,595	25,890	29,248	32,676	34,749	35,444	36,153	36,876	37,614	38,366	33,248	23,827	421,928
150% decl bal depreciation	0	249,375	585,975	880,538	775,174	574,558	431,703	330,116	257,911	183,794	107,544	69,638	71,031	72,451	73,900	75,378	76,886	51,950	34,079	4,902,000
+ depreciation adjustment	0	0	0	0	-124,692	-212,535	-149,443	-104,330	-72,159	-71,232	-70,463	-30,585	8,861	9,038	9,219	9,403	9,591	8,312	5,957	-775,056
current expl/mine dev claimed above net expl/mine dev for amortization	0	0	0	0	0	0	0	49,270	50,255	0	0	0	0	55,486	56,595	0	0	0	0	211,605
current expl/mine dev amortized	0	0	0	0	0	0	0	44,343	84,645	74,693	64,740	54,788	44,835	84,820	120,255	99,094	77,934	61,700	50,492	862,338
+ exploration/development adjustment	0	0	0	0	0	0	0	4,927	9,952	9,952	9,952	9,952	15,501	21,161	21,161	21,161	16,234	11,208	161,114	50,492
AMTI before current earnings adjustment	0	0	0	0	-91,910	-176,669	15,117	115,067	155,600	116,212	72,724	158,359	250,581	298,660	197,648	244,057	295,555	211,824	284,513	2,147,339
+ adj current earnings adjustment	0	0	0	0	127,404	222,322	136,801	28,002	10,351	54,161	57,092	25,310	0	0	0	6,381	6,075	7,882	3,758	685,540
AMTI before AMT/NOL adjustment	0	0	0	0	35,494	45,653	151,918	143,069	165,952	170,374	129,815	183,668	250,581	298,660	197,648	250,438	301,630	219,706	288,272	2,832,878
- Losses carried forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
cumulative operating losses, prior years	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Alternative minimum taxable income	0	0	0	0	35,494	45,653	151,918	143,069	165,952	170,374	129,815	183,668	250,581	298,660	197,648	250,438	301,630	219,706	288,272	2,832,878
Tentative alternative minimum tax	0	0	0	0	7,099	9,131	30,384	28,614	33,190	34,075	25,963	36,734	50,116	59,732	39,530	50,088	60,326	43,941	57,654	566,576
- AMT exemption amount	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Regular income tax	0	0	0	0	0	0	42,949	48,632	55,305	61,449	48,391	62,488	79,110	76,350	47,351	82,140	98,843	72,293	94,576	869,878
Alternative minimum tax	0	0	0	0	7,099	9,131	0	0	0	0	0	0	0	0	0	0	0	0	0	16,229
Environmental Tax																				
Alternative minimum taxable income	0	0	0	0	35,494	45,653	151,918	143,069	165,952	170,374	129,815	183,668	250,581	298,660	197,648	250,438	301,630	219,706	288,272	2,832,878
+ environmental tax deducted in calcs	0	0	0	0	43	55	183	172	199	205	156	221	301	359	237	301	362	264	346	3,404
- exemption	0	0	0	0	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	30
Environmental taxable income	0	0	0	0	35,535	45,706	152,098	143,239	166,149	170,576	129,969	183,887	250,880	299,017	197,883	250,737	301,990	219,968	288,616	2,836,252
Environmental tax	0	0	0	0	43	55	183	172	199	205	156	221	301	359	237	301	362	264	346	3,404
Federal Income Tax	0	0	0	0	7,142	9,185	43,132	48,804	55,505	61,654	48,547	62,708	79,411	76,709	47,589	82,441	99,205	72,557	94,923	889,510
Nevada Royalty (\$000)		2,005	2,006	2,007	2,008	2,009	2,010	2,011	2,012	2,013	2,014	2,015	2,016	2,017	2,018	2,019	2,020	2,021	Total	
Nevada Proceeds of Minerals Tax																				
Total Mine Revenue					456,877	512,616	570,401	533,325	494,538	453,986	411,614	472,327	535,304	600,611	501,237	568,069	637,373	531,917	602,839	7,883,032
- Cost of Extraction					151,753	154,788	157,884	161,041	164,262	167,547	170,898	174,316	177,803	181,359	184,986	188,685	192,459	196,308	200,235	2,624,323
- Production Royalties					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration & Development Expenses					639,202	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	941,496
- Depreciation					41,925	39,828	37,941	36,245	34,722	33,357	32,137	31,049	30,081	29,224	28,467	27,803	27,224	25,230	23,399	478,633
Taxable proceeds					0	317,999	374,577	265,654	223,761	253,081	208,578	266,962	327,420	310,763	206,934	351,580	417,690	310,378	379,205	4,214,583
Nevada Proceeds of Minerals Tax	0	0	0	0	0	15,900	18,729	13,283	11,188	12,654	10,429	13,348	16,371	15,538	10,347	17,579	20,884	15,519	18,960	210,729

**Larger Scale Diamond Mine, 15%IRR (NWT), After Tax
USA, Nevada**

Cash Flow from Operations (\$000)

																				Total
Net operating revenue	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530
- Development Expense	0	100,000	122,400	187,272	0	0	0	70,385	71,793	0	0	0	79,265	80,850	0	0	0	0	0	711,966
- Capital Plant & Infrastructure	0	140,000	197,625	172,967	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	744,275
- Infrastructure	0	26,250	26,775	23,409	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	76,434
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Interest expense		3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	122,573
- Fed. Income Tax	0	0	0	0	7,142	9,185	43,132	48,804	55,505	61,654	48,547	62,708	79,411	76,709	47,589	82,441	99,205	72,557	94,923	889,510
- Provincial Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Provincial Capital Tax																				
- Provincial Mining Tax	0	0	0	0	15,900	18,729	13,283	11,188	12,654	10,429	13,348	16,371	15,538	10,347	17,579	20,884	15,519	18,960	210,729	
= Net Cash Flow	0	-344,876	-435,203	-483,489	254,420	293,940	316,824	211,168	168,562	194,556	163,813	203,669	228,716	158,061	259,571	304,636	247,533	288,722	2,273,691	

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June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 15%IRR (NWT), After Tax																				
South Africa Corporate Income Tax + Diamond Royalty																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	402,604	5,258,708
- Capital Redemption Deduction	0	0	0	645,233	7,306	7,453	77,987	79,546	7,909	8,067	8,228	8,393	87,826	89,582	8,906	9,085	0	0	0	1,045,521
- Exploration Expenses	0	0	0	229,530	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530
- Allowable Capital expenditures	0	0	0	36,738	33,957	31,473	29,254	27,277	25,516	26,611	27,868	29,334	31,077	33,212	35,933	39,634	39,634	39,634	39,634	487,154
- Interest	0	0	0	27,644	22,566	17,272	11,752	5,998	172	0	0	0	0	0	0	0	0	0	0	85,405
- Mining Royalty	0	0	0	45,688	51,262	57,040	53,333	49,454	45,399	41,161	47,233	53,530	60,061	50,124	56,807	63,737	53,192	60,284	60,284	788,303
- R&D	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Net Profit	0	0	0	-679,709	242,736	299,281	199,958	168,001	207,443	164,876	214,682	266,244	240,288	143,333	277,736	332,457	242,782	302,686	302,686	2,622,796
- Losses Carried Forward	0	0	0	0	242,736	299,281	137,692	0	0	0	0	0	0	0	0	0	0	0	0	679,709
= Taxable Income	0	0	0	0	0	0	62,266	168,001	207,443	164,876	214,682	266,244	240,288	143,333	277,736	332,457	242,782	302,686	302,686	2,622,796
Federal Income Tax	0	0	0	0	0	0	18,057	48,720	60,159	47,814	62,258	77,211	69,684	41,567	80,544	96,413	70,407	87,779	87,779	760,611
Royalty (\$000)																				
Net Sales (sales - post-site charges)	0	0	0	456,877	512,616	570,401	533,325	494,538	453,986	411,614	472,327	535,304	600,611	501,237	568,069	637,373	531,917	602,839	602,839	7,883,032
State Mining Royalty	0	0	0	22,844	25,631	28,520	26,666	24,727	22,699	20,581	23,616	26,765	30,031	25,062	28,403	31,869	26,596	30,142	30,142	394,152
Export Levy	0	0	0	22,844	25,631	28,520	26,666	24,727	22,699	20,581	23,616	26,765	30,031	25,062	28,403	31,869	26,596	30,142	30,142	394,152
State Diamond Royalty	0	0	0	45,688	51,262	57,040	53,333	49,454	45,399	41,161	47,233	53,530	60,061	50,124	56,807	63,737	53,192	60,284	60,284	788,303
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	402,604	5,258,708
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530
- Development Expense	0	100,000	122,400	187,272	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	0	711,966
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	820,709
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense	3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	172	0	0	0	0	0	0	0	0	0	0	122,746
- Fed. Income Tax	0	0	0	0	0	0	18,057	48,720	60,159	47,814	62,258	77,211	69,684	41,567	80,544	96,413	70,407	87,779	87,779	760,611
- Provincial Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- State Mining Royalty	0	0	0	45,688	51,262	57,040	53,333	49,454	45,399	41,161	47,233	53,530	60,061	50,124	56,807	63,737	53,192	60,284	60,284	788,303
= Net Cash Flow from Operations, After Tax	-344,876	-435,203	-483,489	215,874	267,764	321,645	201,864	137,080	163,134	133,814	170,235	208,109	191,219	124,306	222,241	264,576	212,010	254,542	254,542	1,824,844

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June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 15%IRR (NWT), After Tax																				
Namibia Corporate Income Tax + Diamond Royalty																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	402,604	5,258,708
- Capital Redemption Deduction	0	0	0	645,233	7,306	7,453	77,987	79,546	7,909	8,067	8,228	8,393	87,826	89,582	8,906	9,085	0	0	0	1,045,521
- Exploration Expenses	0	0	0	229,530	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530
- Allowable Capital expenditures	0	0	0	36,738	33,957	31,473	29,254	27,277	25,516	26,611	27,868	29,334	31,077	33,212	35,933	39,634	39,634	39,634	39,634	487,154
- Interest	0	0	0	27,644	22,566	17,272	11,752	5,998	2,140	0	0	0	0	0	0	0	0	0	0	87,372
- Mining Royalty	0	0	0	45,688	51,262	57,040	53,333	49,454	45,399	41,161	47,233	53,530	60,061	50,124	56,807	63,737	53,192	60,284	60,284	788,303
- R&D	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Net Profit	0	0	0	-679,709	242,736	299,281	199,958	168,001	205,476	164,876	214,682	266,244	240,288	143,333	277,736	332,457	242,782	302,686	302,686	2,620,828
- Losses Carried Forward	0	0	0	0	242,736	299,281	137,692	0	0	0	0	0	0	0	0	0	0	0	0	679,709
= Taxable Income	0	0	0	0	0	0	62,266	168,001	205,476	164,876	214,682	266,244	240,288	143,333	277,736	332,457	242,782	302,686	302,686	2,620,828
Corporate Income Tax	0	0	0	0	0	0	34,246	92,400	113,012	90,682	118,075	146,434	132,158	78,833	152,755	182,852	133,530	166,477	166,477	1,441,455
Non-resident tax on dividends	0	0	0	0	0	0	0	2,615	4,707	3,303	4,937	6,628	4,807	1,438	6,817	8,587	5,606	7,592	7,592	57,037
Total Corporate Tax	0	0	0	0	0	0	34,246	95,015	117,718	93,985	123,012	153,062	136,965	80,271	159,573	191,438	139,136	174,070	174,070	1,498,493
Royalty (\$000)																				
Net Sales (sales - post-site charges)	0	0	0	456,877	512,616	570,401	533,325	494,538	453,986	411,614	472,327	535,304	600,611	501,237	568,069	637,373	531,917	602,839	602,839	7,883,032
State Royalty	0	0	0	45,688	51,262	57,040	53,333	49,454	45,399	41,161	47,233	53,530	60,061	50,124	56,807	63,737	53,192	60,284	60,284	788,303
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	402,604	5,258,708
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530
- Development Expense	0	100,000	122,400	187,272	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	0	711,966
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	820,709
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense	3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	2,140	0	0	0	0	0	0	0	0	0	0	124,713
- Fed. Income Tax	0	0	0	0	0	0	34,246	95,015	117,718	93,985	123,012	153,062	136,965	80,271	159,573	191,438	139,136	174,070	174,070	1,498,493
- Provincial Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- State Mining Royalty	0	0	0	45,688	51,262	57,040	53,333	49,454	45,399	41,161	47,233	53,530	60,061	50,124	56,807	63,737	53,192	60,284	60,284	788,303
= Net Cash Flow from Operations, After Tax	-344,876	-435,203	-483,489	215,874	267,764	321,645	185,675	90,786	103,607	87,643	109,481	132,258	123,937	85,602	143,212	169,550	143,280	168,251	168,251	1,084,994

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June 12, 2008

MineTax by AnalysisWorks

Larger Scale Diamond Mine, 15%IRR (NWT), After Tax Chile

Federal Income Tax (\$000)	initial	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Net Operating Revenue	0	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708
- Depreciation					112,037	117,606	123,353	42,287	44,081	45,929	47,943	50,159	52,628	55,424	22,026	24,099	27,172	23,494	19,658	807,896
- Organization & Setup Deduction					234,090	0	0	0	0	0	0	0	0	0	0	0	0	0	0	234,090
- Development Costs Deduction					63,009	64,269	65,555	75,664	86,151	87,874	89,632	91,425	19,428	33,027	49,858	40,546	30,843	31,460	32,089	860,830
- Interest incl. Foreign Debt Charge					68,442	24,794	19,464	13,876	8,051	0	0	0	0	0	0	0	0	0	0	134,628
= Net Income	0	0	0	0	-172,454	151,158	204,146	240,456	191,992	152,635	103,140	156,427	285,446	330,801	244,368	314,738	386,899	280,655	350,858	3,221,264
- Prior Years' Losses	0	0	0	0	151,158	21,297	0	0	0	0	0	0	0	0	0	0	0	0	0	172,454
= Taxable Income	0	0	0	0	0	182,849	240,456	191,992	152,635	103,140	156,427	285,446	330,801	244,368	314,738	386,899	280,655	350,858	3,221,264	
First Category Tax	0	0	0	0	0	31,084	40,878	32,639	25,948	17,534	26,593	48,526	56,236	41,543	53,505	65,773	47,711	59,646	547,615	
Taxable Income For Additional Tax	0	0	0	0	0	182,849	240,456	191,992	152,635	103,140	156,427	285,446	330,801	244,368	314,738	386,899	280,655	350,858	3,221,264	
Additional Tax	0	0	0	0	0	76,797	100,992	80,637	64,107	43,319	65,699	119,887	138,936	102,635	132,190	162,498	117,875	147,360	1,352,931	
First Category Tax Credit	0	0	0	0	0	31,084	40,878	32,639	25,948	17,534	26,593	48,526	56,236	41,543	53,505	65,773	47,711	59,646	547,615	
Net Additional Tax	0	0	0	0	0	45,712	60,114	47,998	38,159	25,785	39,107	71,361	82,700	61,092	78,684	96,725	70,164	87,714	805,316	
Total Income Tax	0	0	0	0	0	76,797	100,992	80,637	64,107	43,319	65,699	119,887	138,936	102,635	132,190	162,498	117,875	147,360	1,352,931	

Mining Activities Tax (\$000)

Revenue from Mineral Sales	0	0	0	0	456,877	512,616	570,401	533,325	494,538	453,986	411,614	472,327	535,304	600,611	501,237	568,069	637,373	531,917	602,839	7,883,032
- Operating Costs	0	0	0	0	151,753	154,788	157,884	161,041	164,262	167,547	170,898	174,316	177,803	181,359	184,986	188,685	192,459	196,308	200,235	2,624,323
- Depreciation					112,037	117,606	123,353	42,287	44,081	45,929	47,943	50,159	52,628	55,424	22,026	24,099	27,172	23,494	19,658	807,896
- Organization & Setup Deduction					234,090	0	0	0	0	0	0	0	0	0	0	0	0	0	0	234,090
- Development Costs Deduction	0	0	0	0	63,009	64,269	65,555	75,664	86,151	87,874	89,632	91,425	19,428	33,027	49,858	40,546	30,843	31,460	32,089	860,830
= Net Income	0	0	0	0	-104,012	175,952	223,609	254,333	200,044	152,635	103,140	156,427	285,446	330,801	244,368	314,738	386,899	280,655	350,858	3,355,892
- Prior Years' Losses	0	0	0	0	0	104,012	0	0	0	0	0	0	0	0	0	0	0	0	0	104,012
= Taxable Income	0	0	0	0	0	71,940	223,609	254,333	200,044	152,635	103,140	156,427	285,446	330,801	244,368	314,738	386,899	280,655	350,858	3,355,892
Net Mining Activities Tax	0	0	0	0	3,597	11,180	12,717	10,002	7,632	5,157	7,821	14,272	16,540	12,218	15,737	19,345	14,033	17,543	167,795	

Cash Flow from Operations (\$000)

																					Total
Net operating revenue	0	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Development Expense	0	100,000	122,400	187,272	0	0	0	70,385	71,793	0	0	0	79,265	80,850	0	0	0	0	0	711,966	
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	820,709	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve																					
- Interest expense		3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	122,573	
- Foreign Debt Charge to Central Bank		2,222	703	532	0	2,228	2,192	2,124	2,053	0	0	0	0	0	0	0	0	0	0	0	
- Fed. Income Tax	0	0	0	0	0	0	76,797	100,992	80,637	64,107	43,319	65,699	119,887	138,936	102,635	132,190	162,498	117,875	147,360	1,352,931	
- Provincial Income Tax																				0	
- Provincial Capital Tax																					
- Provincial Mining Tax	0	0	0	0	0	3,597	11,180	12,717	10,002	7,632	5,157	7,821	14,272	16,540	12,218	15,737	19,345	14,033	17,543	167,795	
= Net Cash Flow	0	-347,097	-435,906	-484,021	261,561	313,200	288,516	157,422	142,562	197,125	174,313	206,205	204,691	165,487	101,144	211,664	242,883	203,701	237,701	1,841,151	

Appendix 6b - Diamond15.xls

June 12, 2008

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 15%IRR (NWT), After Tax																				
Peru Corporate Income Tax + Mining Royalty																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708	
- Exploration Expenses	0	0	0	229,530	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530
- Depreciation	0	0	0	101,262	92,759	85,139	85,353	85,720	78,906	80,897	83,183	85,847	102,229	122,280	127,228	133,957	133,957	133,957	133,957	1,532,674
- Interest	0	0	0	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	0	85,232
- Mining Royalty	0	0	0	0	13,706	15,378	17,112	16,000	14,836	13,620	12,348	14,170	16,059	18,018	15,037	17,042	19,121	15,958	218,406	
= Net Profit	0	0	0	-53,312	228,796	294,728	258,067	222,558	192,697	146,199	202,479	257,484	300,964	175,953	237,118	293,915	182,530	252,690	3,192,866	
- Losses Carried Forward	0	0	0	0	53,312	0	0	0	0	0	0	0	0	0	0	0	0	0	0	53,312
= Taxable Income	0	0	0	0	175,484	294,728	258,067	222,558	192,697	146,199	202,479	257,484	300,964	175,953	237,118	293,915	182,530	252,690	3,192,866	
Federal Income Tax	0	0	0	0	52,505	88,183	77,214	66,589	57,655	43,743	60,582	77,039	90,049	52,645	70,946	87,939	54,613	75,605	955,305	
Royalty (\$000)																				
Net Sales (sales - post-site charges)	0	0	0	456,877	512,616	570,401	533,325	494,538	453,986	411,614	472,327	535,304	600,611	501,237	568,069	637,373	531,917	602,839	7,883,032	
State Mining Royalty	0	0	0	13,706	15,378	17,112	16,000	14,836	13,620	12,348	14,170	16,059	18,018	15,037	17,042	19,121	15,958	18,085	236,491	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530
- Development Expense	0	100,000	122,400	187,272	0	0	0	70,385	71,793	0	0	0	79,265	80,850	0	0	0	0	0	711,966
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	820,709
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Interest expense	3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	0	122,573
- Fed. Income Tax	0	0	0	0	52,505	88,183	77,214	66,589	57,655	43,743	60,582	77,039	90,049	52,645	70,946	87,939	54,613	75,605	955,305	
- Provincial Income Tax																				0
- Provincial Capital Tax																				0
- State Mining Royalty	0	0	0	13,706	15,378	17,112	16,000	14,836	13,620	12,348	14,170	16,059	18,018	15,037	17,042	19,121	15,958	18,085	236,491	
= Net Cash Flow from Operations, After Tax	-344,876	-435,203	-483,489	247,855	251,142	273,390	180,041	153,829	197,589	166,698	204,974	245,752	212,897	148,314	271,603	317,665	265,038	308,914	2,182,134	

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 15%IRR (NWT), After Tax																				
Mexico																				
Mexico Federal Corporate Income Tax, No Royalty																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708	
- Depreciation	0	0	0	211,030	216,713	192,362	16,580	16,911	17,250	17,595	17,946	18,305	18,671	19,045	19,426	19,814	13,003	6,056	820,709	
- Exploration Expenses	0	0	0	127,840	127,840	127,840	141,917	156,276	28,436	28,436	28,436	14,359	15,853	32,023	32,023	32,023	32,023	16,170		
- Interest				64,985	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	122,573	
- Investment Allowance				60,294	1,624	1,656	1,689	1,723	1,757	1,793	1,828	1,865	1,902	1,940	1,979	2,019	0	0	82,071	
= Net Profit	0	0	0	-159,027	-10,915	73,387	200,345	149,367	238,996	192,893	249,800	322,972	382,825	263,243	325,955	391,058	290,582	380,378	3,291,859	
- Losses Carried Forward	0	0	0	0	0	73,387	96,554	0	0	0	0	0	0	0	0	0	0	0	169,942	
= Net Profit	0	0	0	0	0	0	103,791	149,367	238,996	192,893	249,800	322,972	382,825	263,243	325,955	391,058	290,582	380,378	3,291,859	
- Obligatory profit sharing	0	0	0	0	0	0	10,379	14,937	23,900	19,289	24,980	32,297	38,283	26,324	32,596	39,106	29,058	38,038	329,186	
= Taxable Income	0	0	0	0	0	0	93,412	134,430	215,096	173,603	224,820	290,675	344,543	236,919	293,360	351,952	261,524	342,340	2,962,673	
Federal Income Tax	0	0	0	0	0	0	26,155	37,641	60,227	48,609	62,950	81,389	96,472	66,337	82,141	98,547	73,227	95,855	829,549	
Tax on Assets																				
Capital asset base	344,876	780,079	1,263,568	1,263,568	1,263,568	1,263,568	1,263,568	1,263,568	1,263,568	1,263,568	1,263,568	1,263,568	1,263,568	1,263,568	1,263,568	1,263,568	1,263,568	1,263,568	21,342,051	
Tax on assets	0	0	0	0	0	0	15,795	15,795	15,795	15,795	15,795	15,795	15,795	15,795	15,795	15,795	15,795	15,795	189,535	
Total Federal Income and Asset Tax				0	0	0	26,155	37,641	60,227	48,609	62,950	81,389	96,472	66,337	82,141	98,547	73,227	95,855	829,549	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	305,124	357,828	412,518	372,284	330,276	286,438	240,716	298,011	357,501	419,252	316,251	379,383	444,914	335,608	402,604	5,258,708	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Development Expense	0	100,000	122,400	187,272	0	0	0	70,385	71,793	0	0	0	79,265	80,850	0	0	0	0	711,966	
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	820,709	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve																				
- Interest expense	3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	122,573	
- Fed. Income Tax	0	0	0	0	0	0	26,155	37,641	60,227	48,609	62,950	81,389	96,472	66,337	82,141	98,547	73,227	95,855	829,549	
- Provincial Income Tax																			0	
- Provincial Capital Tax																			0	
- State Mining Royalty																			0	
= Net Cash Flow from Operations, After Tax	-344,876	-435,203	-483,489	261,561	319,025	378,685	247,099	197,614	208,637	174,180	216,776	257,462	224,491	149,660	277,450	326,179	262,382	306,749	2,544,382	

Appendix 6c – Analysis Results: Larger Scale Diamond Mine at 10% IR

Mining Royalty and Tax Competitiveness Review

Summary Analysis Results: Larger Scale Diamond Mine, 10%IRR (NWT), After Tax

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June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 10%IRR (NWT), After Tax																				
Mexico																				
Mexico Federal Corporate Income Tax, No Royalty																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357	
- Depreciation	0	0	0	211,030	216,713	192,362	16,580	16,911	17,250	17,595	17,946	18,305	18,671	19,045	19,426	19,814	13,003	6,056	820,709	
- Exploration Expenses	0	0	0	127,840	127,840	127,840	141,917	156,276	28,436	28,436	28,436	14,359	15,853	32,023	32,023	32,023	32,023	16,170		
- Interest				64,985	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	0	
- Investment Allowance				60,294	1,624	1,656	1,689	1,723	1,757	1,793	1,828	1,865	1,902	1,940	1,979	2,019	0	0	0	
= Net Profit	0	0	0	-236,477	-97,815	-23,308	109,935	65,532	162,035	123,115	169,730	232,226	281,008	178,272	229,655	283,009	200,410	278,183	1,955,509	
- Losses Carried Forward	0	0	0	0	0	0	109,935	65,532	162,035	20,099	0	0	0	0	0	0	0	0	0	
= Net Profit	0	0	0	0	0	0	0	0	0	103,016	169,730	232,226	281,008	178,272	229,655	283,009	200,410	278,183	1,955,509	
- Obligatory profit sharing	0	0	0	0	0	0	0	0	0	10,302	16,973	23,223	28,101	17,827	22,965	28,301	20,041	27,818	195,551	
= Taxable Income	0	0	0	0	0	0	0	0	0	92,714	152,757	209,004	252,908	160,445	206,689	254,708	180,369	250,365	1,759,958	
Federal Income Tax	0	0	0	0	0	0	0	0	0	25,960	42,772	58,521	70,814	44,925	57,873	71,318	50,503	70,102	492,788	
Tax on Assets																				
Capital asset base	344,876	780,079	1,263,568	1,263,568	1,263,568	1,263,568	1,263,568	1,263,568	1,263,568	1,263,568	1,263,568	1,263,568	1,263,568	1,263,568	1,263,568	1,263,568	1,263,568	1,263,568	1,263,568	21,342,051
Tax on assets	0	0	0	0	0	0	15,795	15,795	15,795	15,795	15,795	15,795	15,795	15,795	15,795	15,795	15,795	15,795	15,795	189,535
Total Federal Income and Asset Tax				0	0	0	15,795	15,795	15,795	25,960	42,772	58,521	70,814	44,925	57,873	71,318	50,503	70,102	540,172	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Development Expense	0	100,000	122,400	187,272	0	0	0	70,385	71,793	0	0	0	79,265	80,850	0	0	0	0	0	
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve																				
- Interest expense	3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	0	
- Fed. Income Tax	0	0	0	0	0	0	0	0	0	25,960	42,772	58,521	70,814	44,925	57,873	71,318	50,503	70,102	492,788	
- Provincial Income Tax																				0
- Provincial Capital Tax																				0
- State Mining Royalty																				0
= Net Cash Flow from Operations, After Tax	-344,876	-435,203	-483,489	184,111	232,126	281,989	182,844	151,419	191,903	127,051	156,884	189,584	148,332	86,101	205,418	245,359	194,933	230,308	1,544,791	

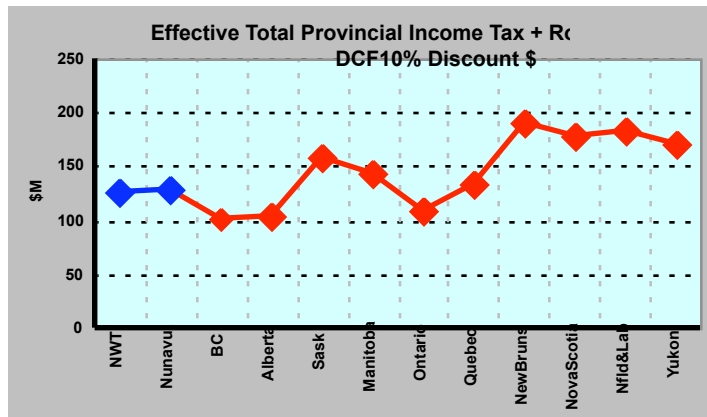
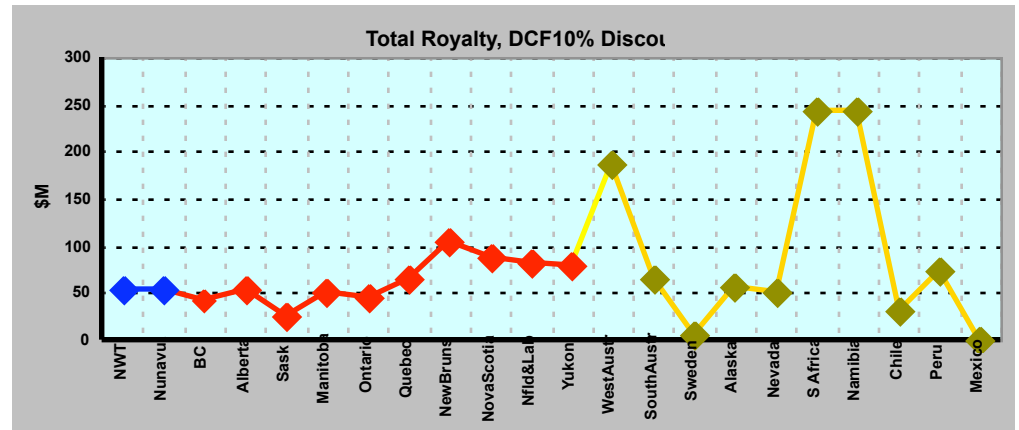
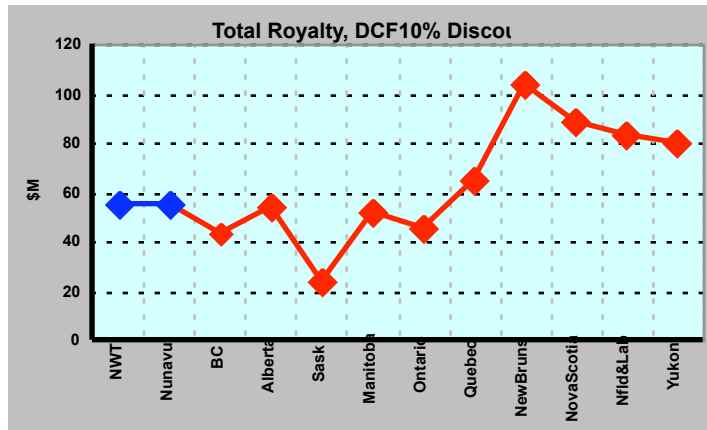
Larger Scale Diamond Mine Mine Model
10%IRR (NWT), After Tax Profitability Model
 Current tax and royalty rates, including legislated future changes
Summary of Cash Flow and Tax

	CMR royalty		Canadian Comparisons									
	Northwest Territories	Nunavut	British Columbia	Alberta	Saskatchewan	Manitoba	Ontario	Quebec	New Brunswick	Nova Scotia	Newfoundland & Labrador	Yukon
Internal Rate of Return, IRR, at Debt:Total Initial Capital Investment = 50%												
Before Tax IRR, Total Invested Capital Basis	12.4%	12.4%	12.4%	12.4%	12.4%	12.4%	12.4%	12.4%	12.4%	12.4%	12.4%	12.4%
After Tax IRR, Total Invested Capital Basis	10.0%	10.0%	10.3%	10.3%	9.4%	9.7%	10.2%	9.9%	9.3%	9.5%	9.4%	9.3%
Effective Total Royalty + Tax Rate												
By impact on Internal Rate of Return	19.5%	19.9%	16.9%	16.9%	24.1%	22.2%	17.8%	20.5%	24.7%	23.6%	24.2%	24.9%
By NPV royalty / NPV net cash flow before royalties	30.6%	30.6%	24.2%	29.9%	13.5%	29.0%	25.5%	36.6%	58.0%	49.4%	46.7%	44.9%
By NPV royalty + taxes / NPV net cash flow before and taxes	100.0%	101.7%	87.8%	87.9%	120.7%	111.7%	91.8%	104.3%	123.9%	119.0%	121.7%	124.1%
Total Project Investment Summary: Nominal Dollars (Of-the-Year)												
Capital Investment												
Life-of-Mine Total	1,762,204,311											
Initial Development to Production	1,226,227,500											
Mine Revenue (Net Smelter Return)	9,204,160,845											
Federal Income Tax	222,646,942	222,646,942	232,354,167	225,290,368	237,724,433	229,641,954	227,711,800	219,554,748	144,860,210	155,969,936	158,947,777	218,644,787
Terr/Prov Income Tax	223,992,992	233,731,817	214,430,359	187,673,511	249,152,364	261,259,404	175,260,917	218,762,799	225,586,386	234,606,071	276,330,867	288,348,174
Terr/Prov Capital Tax	0	0	0	0	111,828,758	21,292,672	2,039,787	21,046,986	5,002,597	8,501,843	0	0
Mining Tax or Royalty	215,597,171	215,597,171	150,368,199	197,692,200	114,869,570	206,363,725	181,827,765	235,363,087	364,852,500	289,692,514	270,994,319	241,041,158
Net Cash Flow To Mine Project	1,375,342,469	1,365,603,643	1,440,426,849	1,426,923,496	1,323,695,796	1,318,983,133	1,450,712,040	1,342,130,578	1,296,478,792	1,348,014,180	1,330,554,701	1,289,545,456
Total Taxes	662,237,105	671,975,931	597,152,725	610,656,078	713,575,125	718,557,755	586,840,269	694,727,620	740,301,692	688,770,366	706,272,964	748,034,119
Total Project Investment Summary: discounted Present Value, at 10% Discount Rate												
Capital Investment												
Life-of-Mine Total	1,214,265,284											
Initial Development to Production	1,006,927,122											
Mine Revenue (Net Smelter Return)	2,801,276,242											
Federal Income Tax	53,914,433	53,914,433	56,389,674	54,502,608	58,347,916	56,350,712	55,236,185	52,600,431	30,675,238	33,373,004	33,918,527	51,902,995
Terr/Prov Income Tax	70,363,958	73,423,261	57,450,617	49,345,515	79,247,163	83,017,515	62,353,944	57,147,246	83,228,497	85,336,433	100,127,176	89,797,101
Terr/Prov Capital Tax	0	0	0	0	54,200,211	8,701,087	1,101,148	11,174,235	3,735,133	5,660,457	0	0
Mining Tax or Royalty	54,725,607	54,725,607	43,355,092	53,569,590	24,158,352	51,861,812	45,689,040	65,348,398	103,514,972	88,139,131	83,473,575	80,405,108
Net Cash Flow To Mine Project	0	(3,059,302)	21,808,616	21,586,287	(37,080,542)	(20,943,534)	14,612,119	(7,737,200)	(42,618,279)	(33,969,492)	(38,834,162)	(43,101,205)
Total Taxes	179,003,998	182,063,301	157,195,383	157,417,712	215,953,642	199,931,127	164,380,316	186,270,309	221,153,841	212,509,025	217,519,277	222,105,204
Royalty as proportion of net profit before royalty and tax												
Nominal Dollars	10.6%	10.6%	7.4%	9.7%	5.6%	10.1%	8.9%	11.6%	17.9%	14.2%	13.3%	11.8%
Net Present Value	30.6%	30.6%	24.2%	29.9%	13.5%	29.0%	25.5%	36.6%	58.0%	49.4%	46.7%	44.9%
Total Tax + Royalty as proportion of net profit before royalty and tax												
Nominal Dollars	32.5%	33.0%	29.3%	30.0%	35.0%	35.3%	28.8%	34.1%	36.3%	33.8%	34.7%	36.7%
Net Present Value	100.0%	101.7%	87.8%	87.9%	120.7%	111.7%	91.8%	104.3%	123.9%	119.0%	121.7%	124.1%

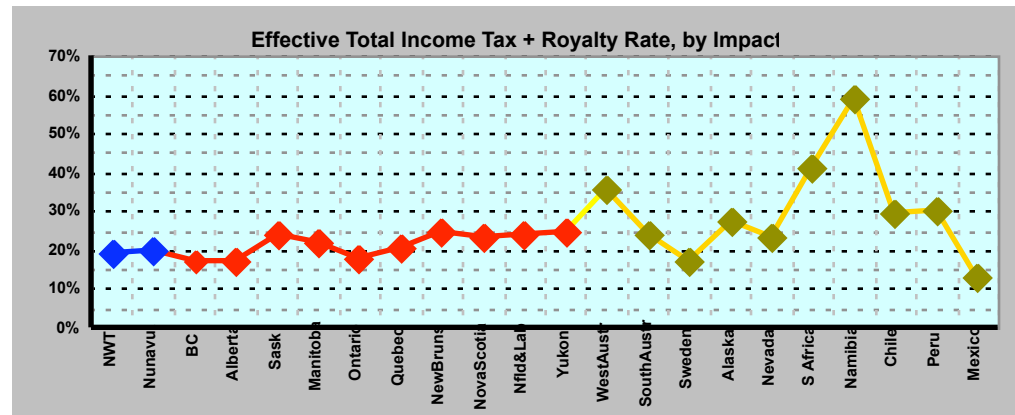
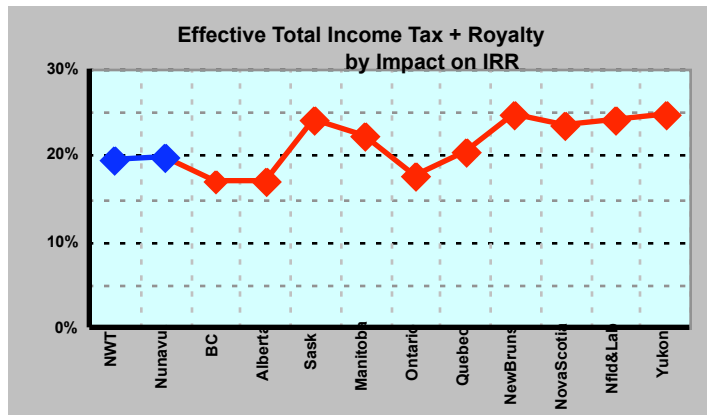
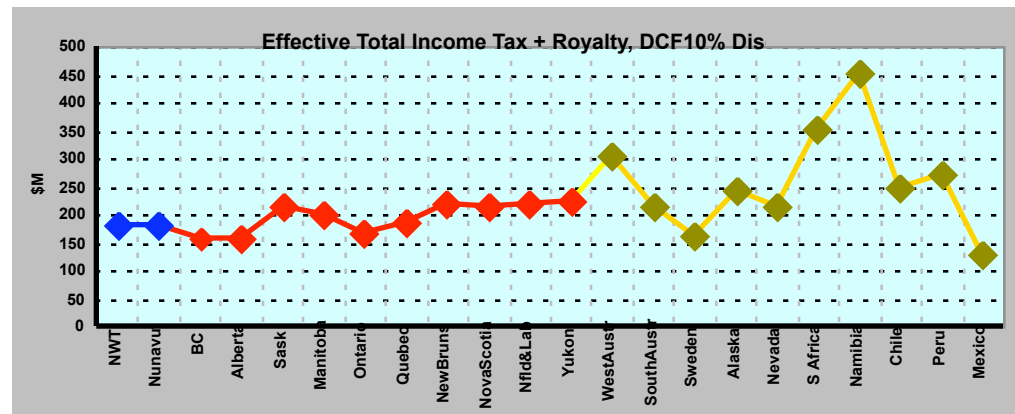
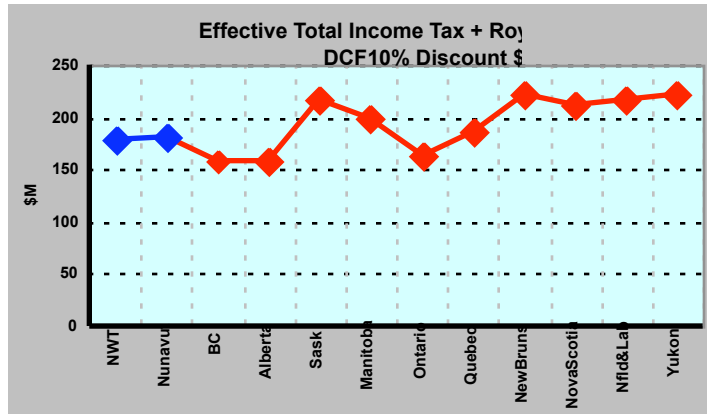
Larger Scale Diamond Mine
10%IRR (NWT), After Tax
 Current tax and royalty rates, including le
Summary of Cash Flow and Tax

International Comparisons										
	Western Australia	South Australia	Sweden	USA, Alaska	USA, Nevada	South Africa	Namibia	Chile	Peru	Mexico
Internal Rate of Return, IRR, at Debt:Total Initial Investment										
Before Tax IRR, Total Invested Capital Basis	12.4%	12.4%	12.4%	12.4%	12.4%	12.4%	12.4%	12.3%	12.4%	12.4%
After Tax IRR, Total Invested Capital Basis	8.0%	9.4%	10.3%	9.0%	9.5%	7.3%	5.1%	8.7%	8.6%	10.8%
Effective Total Royalty + Tax Rate										
By impact on Internal Rate of Return	35.5%	24.1%	17.5%	27.4%	23.6%	41.5%	59.0%	29.2%	30.4%	13.4%
By NPV royalty / NPV net cash flow before royalty taxes	104.8%	36.5%	2.7%	32.4%	29.1%	136.7%	136.7%	17.4%	41.2%	0.0%
By NPV royalty + taxes / NPV net cash flow before and taxes	171.0%	121.1%	90.6%	135.4%	119.0%	196.3%	253.0%	146.5%	151.9%	71.5%
Total Project Investment Summary: Nominal Dollars										
Capital Investment										
Life-of-Mine Total										
Initial Development to Production										
Mine Revenue (Net Smelter Return)										
Federal Income Tax	434,551,887	527,773,803	543,505,841	479,202,737	542,653,050	411,493,732	805,053,684	790,895,884	565,547,788	492,788,191
Terr/Prov Income Tax	0	0	0	145,040,740	0	0	0	0	0	0
Terr/Prov Capital Tax	0	0	0	0	0	0	0	0	0	0
Mining Tax or Royalty	506,130,193	194,698,599	13,093,362	167,215,659	147,784,146	654,668,081	654,668,081	100,977,053	196,400,424	0
Net Cash Flow To Mine Project	1,096,025,280	1,313,543,084	1,479,657,325	1,244,378,995	1,345,849,368	970,109,175	576,549,223	1,131,824,470	1,272,291,717	1,544,791,383
Total Taxes	940,682,080	722,472,401	556,599,202	791,459,136	690,437,195	1,066,161,813	1,459,721,765	891,872,937	761,948,213	492,788,191
Total Project Investment Summary: discounted										
Capital Investment										
Life-of-Mine Total										
Initial Development to Production										
Mine Revenue (Net Smelter Return)										
Federal Income Tax	118,273,359	150,839,563	156,876,045	141,429,107	160,405,226	106,196,327	207,483,440	220,078,913	196,516,710	127,964,501
Terr/Prov Income Tax	0	0	0	42,247,251	0	0	0	0	0	0
Terr/Prov Capital Tax	0	0	0	0	0	0	0	0	0	0
Mining Tax or Royalty	187,244,577	65,045,742	4,880,521	57,739,855	51,960,317	244,026,032	244,026,032	29,762,643	73,207,809	0
Net Cash Flow To Mine Project	(126,883,840)	(37,544,632)	16,686,333	(63,150,756)	(33,909,907)	(171,773,328)	(273,060,441)	(79,281,947)	(92,167,244)	51,039,496
Total Taxes	305,517,935	215,885,305	161,756,565	241,416,213	212,365,543	350,222,359	451,509,472	249,841,556	269,724,519	127,964,501
Royalty as proportion of net profit before royalties										
Nominal Dollars	24.9%	9.6%	0.6%	8.2%	7.3%	32.2%	32.2%	5.0%	9.7%	0.0%
Net Present Value	104.8%	36.5%	2.7%	32.4%	29.1%	136.7%	136.7%	17.4%	41.2%	0.0%
Total Tax + Royalty as proportion of net profit before royalties										
Nominal Dollars	46.2%	35.5%	27.3%	38.9%	33.9%	52.4%	71.7%	44.1%	37.5%	24.2%
Net Present Value	171.0%	121.1%	90.6%	135.4%	119.0%	196.3%	253.0%	146.5%	151.9%	71.5%

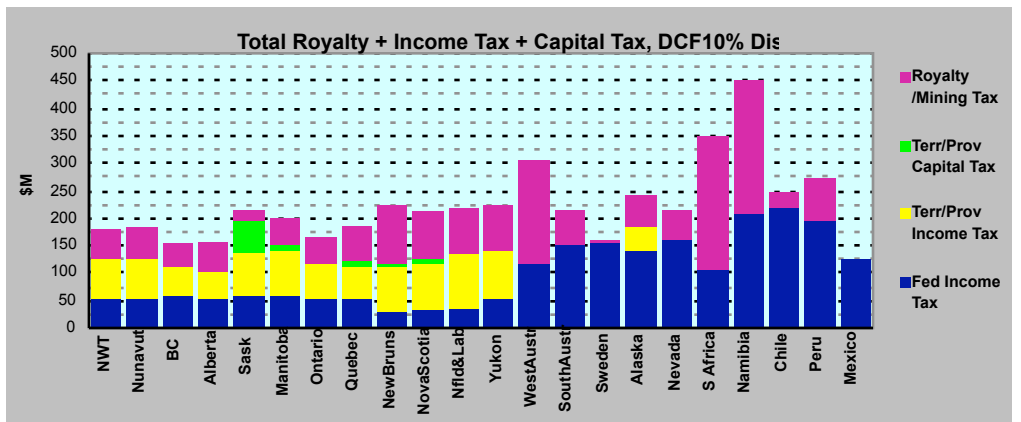
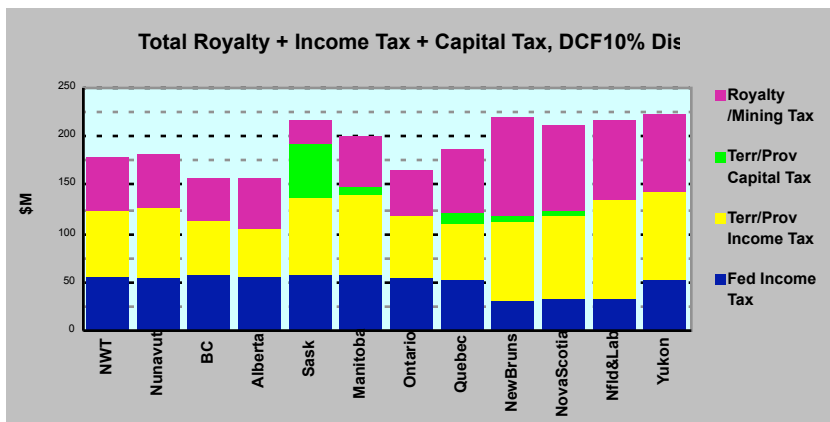
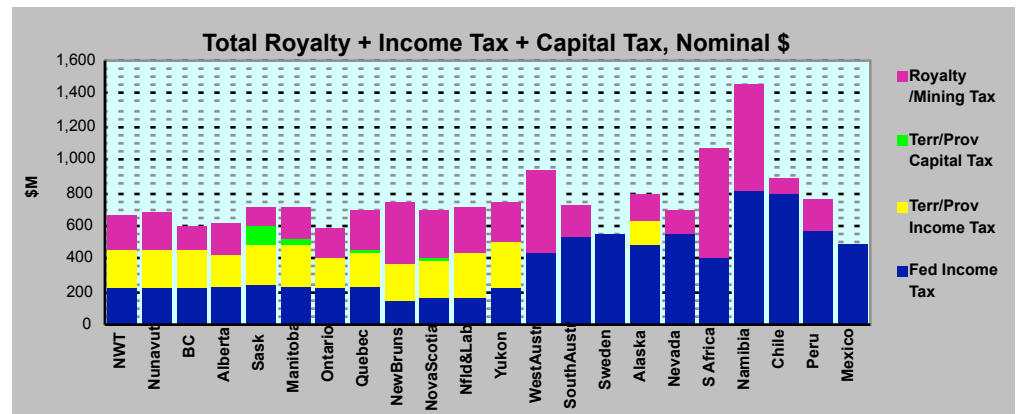
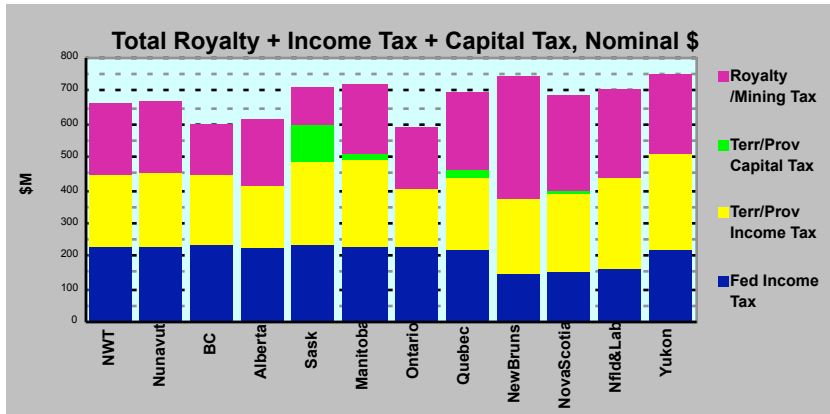
Larger Scale Diamond Mine, 10%IRR (NWT), After Tax
Comparative Results Graphs



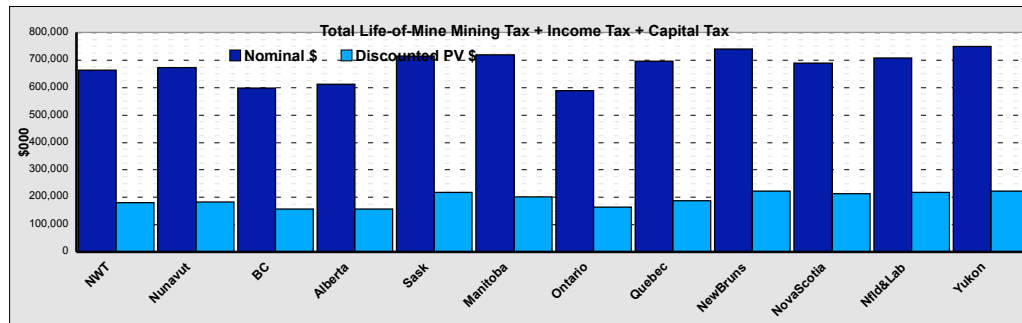
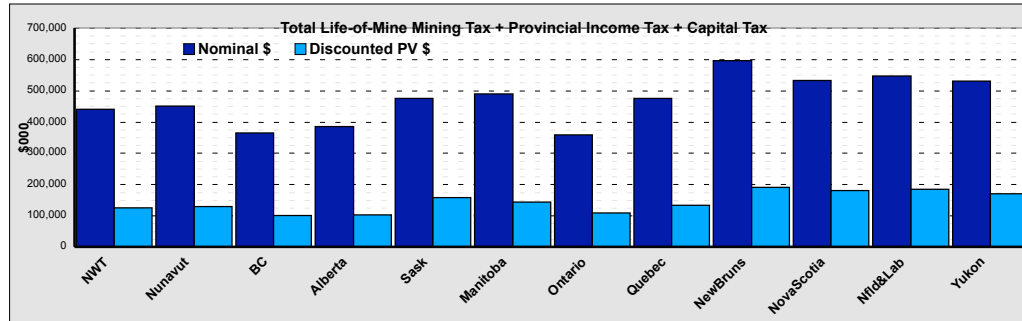
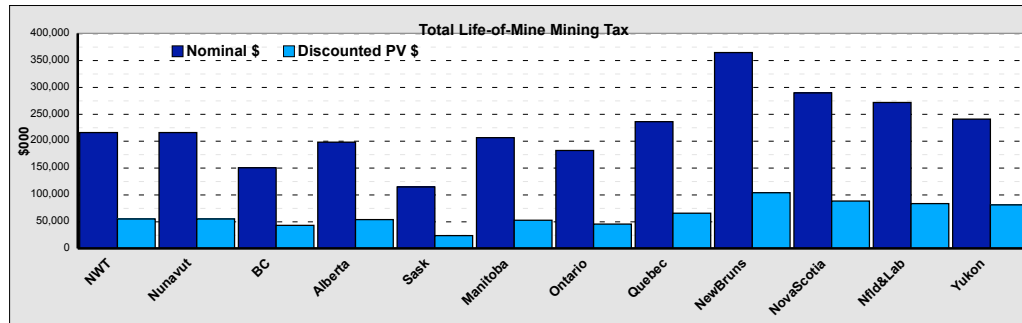
Larger Scale Diamond Mine, 10%IRR (NWT), After Tax
Comparative Results Graphs



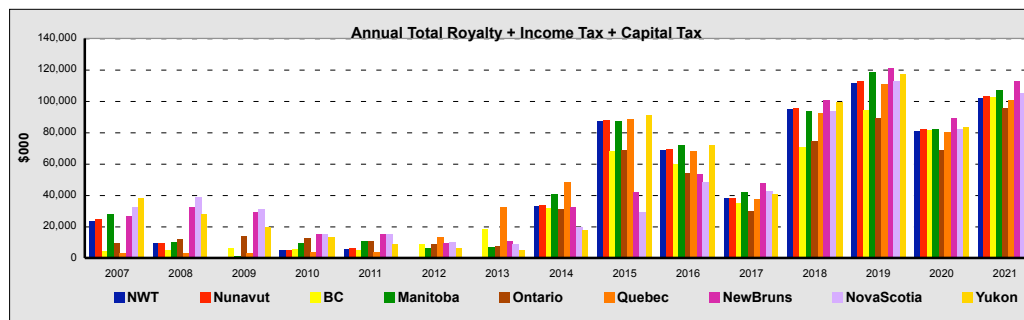
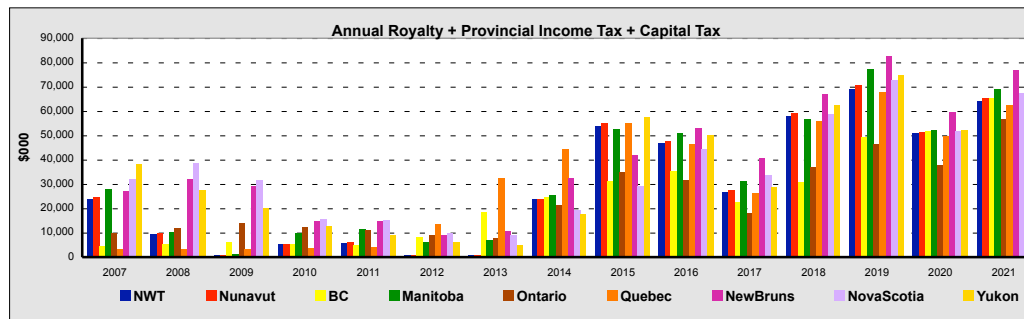
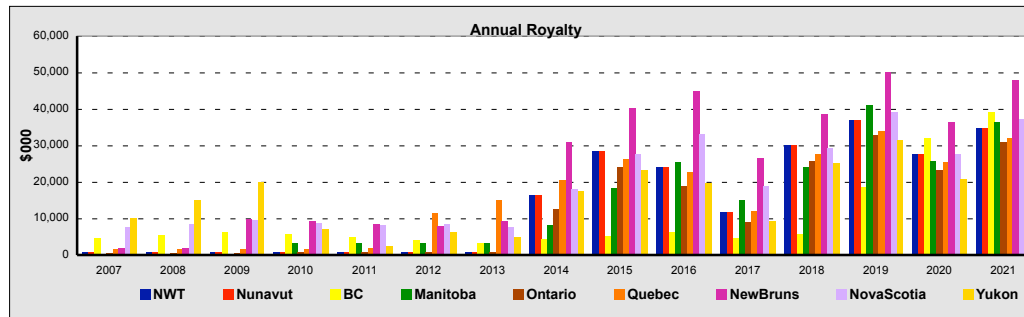
Larger Scale Diamond Mine, 10%IRR (NWT), After Tax
Comparative Results Graphs



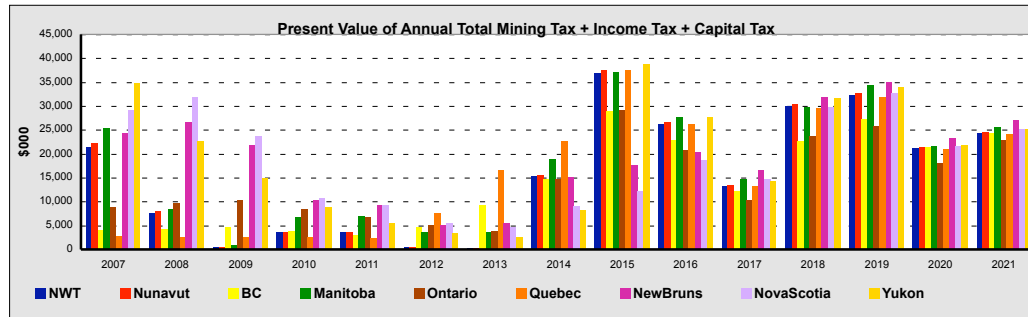
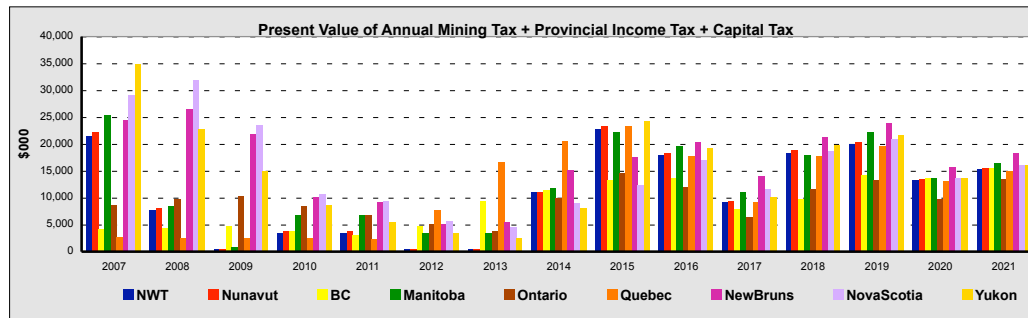
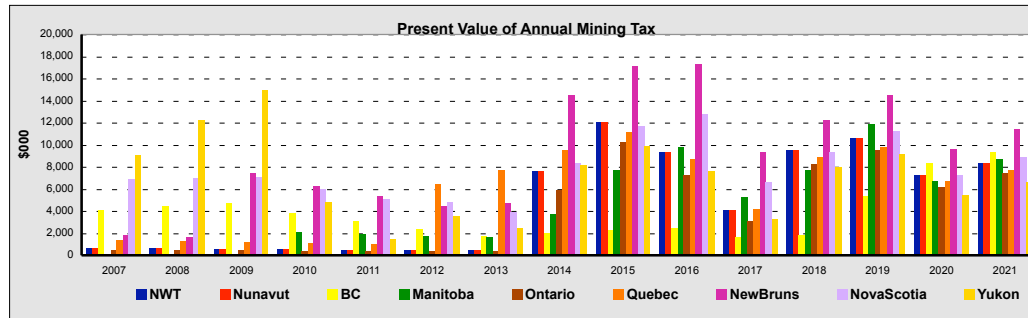
Larger Scale Diamond Mine, 10%IRR (NWT), After Tax
 Additional Graphs: Comparative Results and Annual Results -- Canadian Comparisons



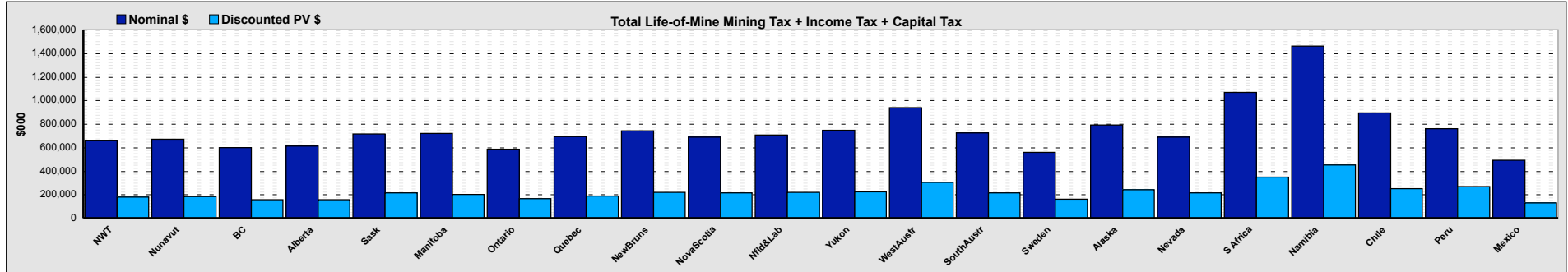
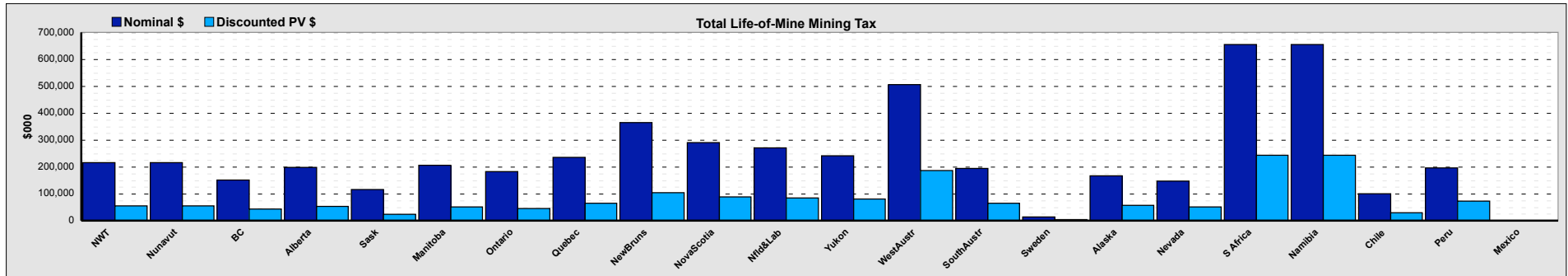
Larger Scale Diamond Mine, 10%IRR (NWT), After Tax



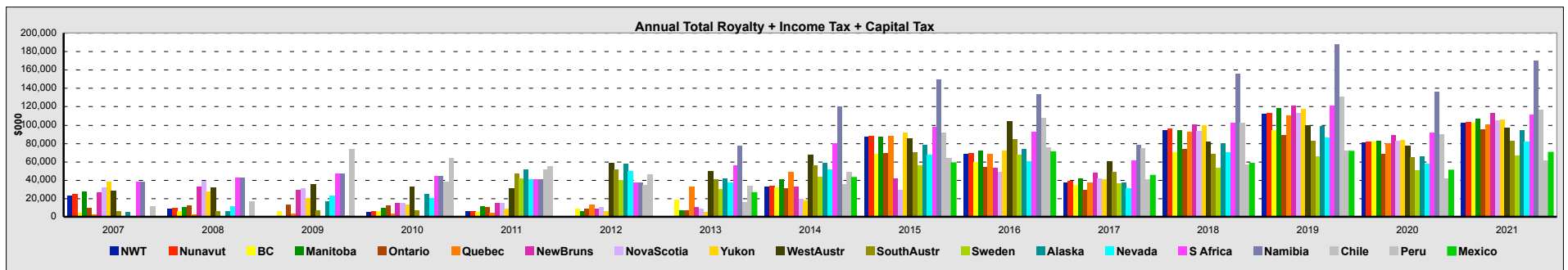
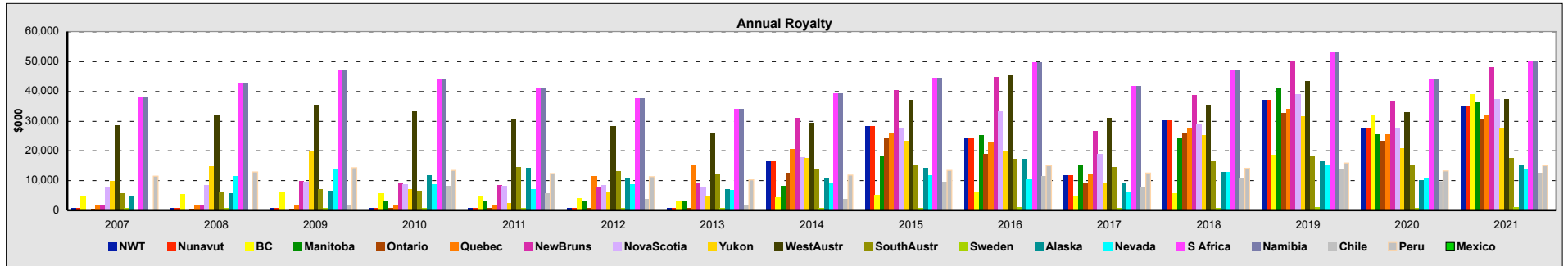
Larger Scale Diamond Mine, 10%IRR (NWT), After Tax



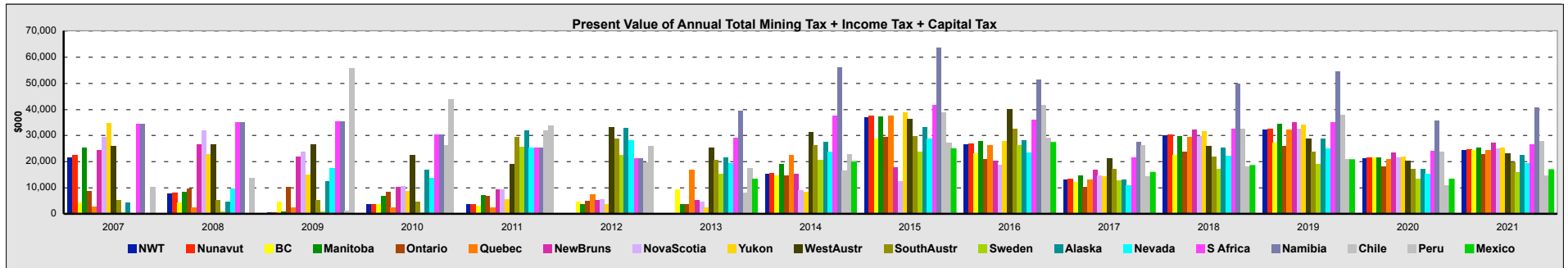
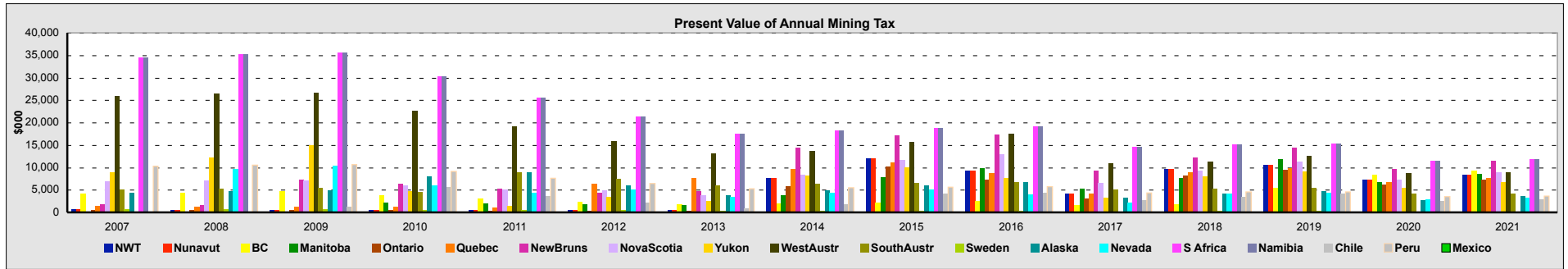
Larger Scale Diamond Mine, 10%IRR (NWT), After Tax
 Additional Graphs: Comparative Results and Annual Results -- International Comparisons



Larger Scale Diamond Mine, 10%IRR (NWT), After Tax



Larger Scale Diamond Mine, 10%IRR (NWT), After Tax



	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 10%IRR (NWT), After Tax																			
Production Schedule, Capital Investment & Determination of Net Operating Revenue																			
Production Schedule																			
Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Daily mine production (t/d)				12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	180,000
Annual production days (d)																			
Annual mine production (tonnes)				12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	180,000
Unit Operating Costs (\$/t ore milled)																			
Mining operations																			
Mining				7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75
Other operating																			
Total mining operations				7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75
Milling operations																			
Milling				4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17
Power																			
Other operating																			
Total milling operations				4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17
Private royalty (% NSR)				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total operating				11.92	11.92	11.92	11.92	11.92	11.92	11.92	11.92	11.92	11.92	11.92	11.92	11.92	11.92	11.92	11.92
Revenue and Cost Schedule in \$ Constant (2004)																			
Revenue																			
Value of product sold																			
Mineral/Metal1				357,541,353	393,295,488	429,049,623	393,295,488	357,541,353	321,787,218	286,033,082	321,787,218	357,541,353	393,295,488	321,787,218	357,541,353	393,295,488	321,787,218	357,541,353	7,150,822
Gross sales				357,541,353	393,295,488	429,049,623	393,295,488	357,541,353	321,787,218	286,033,082	321,787,218	357,541,353	393,295,488	321,787,218	357,541,353	393,295,488	321,787,218	357,541,353	7,150,822
Post-site costs																			
Transportation																			
Other post-site costs																			
Cutting & polishing charges																			
Marketing costs																			
Total post-site costs				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Mine Revenue				357,541,353	393,295,488	429,049,623	393,295,488	357,541,353	321,787,218	286,033,082	321,787,218	357,541,353	393,295,488	321,787,218	357,541,353	393,295,488	321,787,218	357,541,353	7,150,822
Operating Costs																			
Mining Operations				92,950,000	92,950,000	92,950,000	92,950,000	92,950,000	92,950,000	92,950,000	92,950,000	92,950,000	92,950,000	92,950,000	92,950,000	92,950,000	92,950,000	92,950,000	92,950,000
Milling Operations				50,050,000	50,050,000	50,050,000	50,050,000	50,050,000	50,050,000	50,050,000	50,050,000	50,050,000	50,050,000	50,050,000	50,050,000	50,050,000	50,050,000	50,050,000	50,050,000
Private Royalty				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total operating				143,000,000	143,000,000	143,000,000	143,000,000	143,000,000	143,000,000	143,000,000	143,000,000	143,000,000	143,000,000	143,000,000	143,000,000	143,000,000	143,000,000	143,000,000	143,000,000
Net Operating Revenue				214,541,353	250,295,488	286,049,623	250,295,488	214,541,353	178,787,218	143,033,082	178,787,218	214,541,353	250,295,488	178,787,218	214,541,353	250,295,488	178,787,218	214,541,353	5,005,822
Capital Costs																			
Property Acquisition																			
Exploration	75,000,000	75,000,000	75,000,000																225,000
Preproduction Development	100,000,000	120,000,000	180,000,000				62,500,000	62,500,000					62,500,000	62,500,000					650,000
Infrastructure	26,250,000	26,250,000	22,500,000																75,000
Mining Plant and Equipment	112,500,000	56,250,000	56,250,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	0	312,750
Milling Plant and Equipment	27,500,000	137,500,000	110,000,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	0	382,250
Working Capital																			
Environmental Reserve contribution																			
interest earned																			
withdrawal																			
balance in reserve																			
Total Capital	341,250,000	415,000,000	443,750,000	15,000,000	15,000,000	15,000,000	77,500,000	77,500,000	15,000,000	15,000,000	15,000,000	15,000,000	77,500,000	77,500,000	15,000,000	15,000,000	0	0	1,645,000

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total	
Larger Scale Diamond Mine, 10%IRR (NWT), After Tax																				
Production Schedule, Capital Investment & Determination of Net Operating Revenue																				
Revenue and Cost Schedule in \$ Nominal (Dollars-of-the-year)																				
Revenue																				
Value of product sold				379,425,744	425,715,685	473,705,453	442,914,598	410,702,628	377,025,012	341,836,011	392,256,823	444,557,732	498,793,776	416,266,078	471,768,222	529,323,945	441,744,892	500,644,211	7,150.82	
Mineral/Metal1				379,425,744	425,715,685	473,705,453	442,914,598	410,702,628	377,025,012	341,836,011	392,256,823	444,557,732	498,793,776	416,266,078	471,768,222	529,323,945	441,744,892	500,644,211	9,204.16	
Gross sales	0	0	0	379,425,744	425,715,685	473,705,453	442,914,598	410,702,628	377,025,012	341,836,011	392,256,823	444,557,732	498,793,776	416,266,078	471,768,222	529,323,945	441,744,892	500,644,211		
Post-site costs																				
Transportation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other post-site costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Smelting & Refining	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Marketing costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total post-site costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Mine Revenue	0	0	0	379,425,744	425,715,685	473,705,453	442,914,598	410,702,628	377,025,012	341,836,011	392,256,823	444,557,732	498,793,776	416,266,078	471,768,222	529,323,945	441,744,892	500,644,211	9,204.16	
Operating Costs																				
Mining Operations	0	0	0	98,639,284	100,612,069	102,624,311	104,676,797	106,770,333	108,905,739	111,083,854	113,305,531	115,571,642	117,883,075	120,240,736	122,645,551	125,098,462	127,600,431	130,152,440	1,705.81	
Milling Operations	0	0	0	53,113,460	54,175,730	55,259,244	56,364,429	57,491,718	58,641,552	59,814,383	61,010,671	62,230,884	63,475,502	64,745,012	66,039,912	67,360,710	68,707,925	70,082,083	918.513	
Private Royalty	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total operating	0	0	0	151,752,744	154,787,799	157,883,555	161,041,226	164,262,050	167,547,291	170,898,237	174,316,202	177,802,526	181,358,577	184,985,748	188,685,463	192,459,172	196,308,356	200,234,523	2,624.32	
Net Operating Revenue	0	0	0	227,673,000	270,927,886	315,821,898	281,873,373	246,440,577	209,477,721	170,937,774	217,940,621	266,755,206	317,435,199	231,280,330	283,082,759	336,864,773	245,436,537	300,409,688	6,579.83	
Capital Costs																				
Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Exploration	75,000,000	76,500,000	78,030,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
Preproduction Development	100,000,000	122,400,000	187,272,000	0	0	0	70,385,151	71,792,854	0	0	0	0	79,265,112	80,850,414	0	0	0	0	711,965	
Infrastructure	26,250,000	26,775,000	23,409,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	76,434	
Mining Plant and Equipment	112,500,000	57,375,000	58,522,500	7,163,154	7,306,417	7,452,545	7,601,596	7,753,628	7,908,701	8,066,875	8,228,212	8,392,777	8,560,632	8,731,845	8,906,482	9,084,611	0	0	333,554	
Milling Plant and Equipment	27,500,000	140,250,000	114,444,000	8,754,966	8,930,065	9,108,667	9,290,840	9,476,657	9,666,190	9,859,514	10,056,704	10,257,838	10,462,995	10,672,255	10,885,700	11,103,414	0	0	410,719	
Working Capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest earned	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Withdrawal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Balance in reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Capital	341,250,000	423,300,000	461,677,500	15,918,120	16,236,482	16,561,212	87,277,587	89,023,139	17,574,691	17,926,389	18,284,916	18,650,615	98,288,739	100,254,514	19,792,181	20,188,025	0	0	1,762.20	
Before Taxes and Financing Cash Flow																				
Total Mine Revenue	0	0	0	379,425,744	425,715,685	473,705,453	442,914,598	410,702,628	377,025,012	341,836,011	392,256,823	444,557,732	498,793,776	416,266,078	471,768,222	529,323,945	441,744,892	500,644,211	9,204.16	
Operating Costs	0	0	0	(151,752,744)	(154,787,799)	(157,883,555)	(161,041,226)	(164,262,050)	(167,547,291)	(170,898,237)	(174,316,202)	(177,802,526)	(181,358,577)	(184,985,748)	(188,685,463)	(192,459,172)	(196,308,356)	(200,234,523)	(2,624.32)	
Private Royalty	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cash Flow from Operations	0	0	0	227,673,000	270,927,886	315,821,898	281,873,373	246,440,577	209,477,721	170,937,774	217,940,621	266,755,206	317,435,199	231,280,330	283,082,759	336,864,773	245,436,537	300,409,688	6,579.83	
Capital Costs	(341,250,000)	(423,300,000)	(461,677,500)	(15,918,120)	(16,236,482)	(16,561,212)	(87,277,587)	(89,023,139)	(17,574,691)	(17,926,389)	(18,284,916)	(18,650,615)	(98,288,739)	(100,254,514)	(19,792,181)	(20,188,025)	0	0	(1,762.20)	
Working Capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Contribution to Environmental Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Withdrawal from Environmental Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Net Cash Flow	(341,250,000)	(423,300,000)	(461,677,500)	211,754,880	254,691,404	299,260,686	194,595,785	157,417,438	191,902,830	153,011,385	199,655,704	248,104,592	219,146,460	131,025,816	263,290,578	316,676,748	245,436,537	300,409,688	4,817.63	
Cumulative Net Cash Flow	(341,250,000)	(764,550,000)	(1,226,227,500)	(1,014,472,620)	(759,781,216)	(460,520,530)	(265,924,745)	(108,507,307)	83,395,523	236,406,908	436,062,612	684,167,204	903,313,664	1,034,339,480	1,297,630,058	1,614,306,805	1,859,743,342	2,160,153,030		
Net Present Value, Before Taxes and Financing																				
discount rate (nominal)			0.0%	5.0%	7.5%	10.0%	12.5%													
discount rate (real)			-2.0%	2.9%	5.4%	7.8%	10.3%													
NPV (before tax and royalty)			4,817,633,064	2,089,814,384	1,358,511,209	855,054,848	501,419,542													

General Economic Parameters

	Base	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Base Year, commencement of production	2007																		
Base year for cost inputs	2004																		
Number of years of mine production	15																		
Debt:Total Initial Capital Investment	50%																		
Gov't of Canada long term bond yield	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%
Inflation/Escalation																			
Annual escalation rate for operating costs and value of money	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Operating cost inflation index for the year	1.0000	1.0200	1.0404	1.0612	1.0824	1.1041	1.1262	1.1487	1.1717	1.1951	1.2190	1.2434	1.2682	1.2936	1.3195	1.3459	1.3728	1.4002	
Annual escalation rate for capital costs	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Capital cost inflation index for the year	1.0000	1.0200	1.0404	1.0612	1.0824	1.1041	1.1262	1.1487	1.1717	1.1951	1.2190	1.2434	1.2682	1.2936	1.3195	1.3459	1.3728	1.4002	
Annual escalation rate for base metal prices	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Base metal prices escalation index for the year	1.0000	1.0200	1.0404	1.0612	1.0824	1.1041	1.1262	1.1487	1.1717	1.1951	1.2190	1.2434	1.2682	1.2936	1.3195	1.3459	1.3728	1.4002	
\$Canada:\$USA Exchange Rate	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850
Discount rate for discounted cash flow analysis (real)	7.80%																		
Discount rate for discounted cash flow analysis (real)	10.00%																		
Annual interest rate on corporate debt, Cdn business prime rate	4.25%																		

Notes:

Pre-production interest expenses are capitalized.

Debt scheduled for repayment over 5 years or 50% designed mine life, whichever is longer.

Initial development debt repaid out of 90% of after tax cash flow.

Shortfall in meeting annual debt repayment is added to debt, and rescheduled over remaining term.

All expenses after onset of production to be paid from cash flow.

Canadian & International Fiscal Parameters

Current tax and royalty rates, including legislated future changes

Canadian Fiscal Parameters	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Federal Income Tax																		
Corporate income tax rate	28%	28%	28%	28%	26.5%	26.0%	25.0%	23.5%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%
Resource income tax rate reduction	2%	3%	5%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
Corporate income tax surtax rate	4%	4%	4%	4%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Large corporation tax rate	0.200%	0.175%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Resource Allowance	19%	16%	9%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Accelerated Capital Cost Allowance (ACCA)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Capital Cost Allowance, Class 41a (CCA)	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Canadian Exploration Expense (CEE)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Canadian Development Expense (CDE)	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Atlantic & Gaspé Investment Tax Credit	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Provincial Mining Tax Deduction (federal)	25%	35%	65%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Canadian Exploration Expense Tax Credit	7%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Northwest Territories + Nunavut																		
NWT Corporate income tax rate	14.0%	14.0%	12.8%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
NT Corporate income tax rate	12.0%	12.0%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
CMR Royalty																		
CMR royalty rate (maximum)	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%
for value of output up to \$10,000.	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
for output over \$10,000 to \$5,000,000.	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
increment for each additional \$5,000,000. of output	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
to maximum (for output over \$45,000,000.)	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%
Depreciation allowance	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Exploration & development allowance	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Processing allowance max % of royaltyable income	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%
Processing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
British Columbia																		
Corporate income tax rate	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Preproduction capital gross-up rate	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	0.00%	0.00%	0.00%	0.00%	0.00%
Investment allowance rate	3.65%	3.65%	5.39%	5.75%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%
Mining tax part 1 rate	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Mining tax part 2 rate	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%
Alberta (Metallic Minerals, Diamonds)																		
Corporate income tax rate	11.5%	11.5%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Royalty Tax credit rate, average annual	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Royalty Tax credit shelter maximum (\$000)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Mining tax rate, pre-payout	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Mining tax rate, post-payout	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
Capital Allowance	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Processing Allowance rate	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%

Saskatchewan (Gold & Base Metal)

Corporate income tax rate	17.0%	17.0%	15.5%	13.5%	12.5%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Capital tax, base rate	0.6%	0.6%	0.5%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Resource surcharge on capital tax	3.6%	3.6%	3.5%	3.2%	3.1%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Resource surcharge on capital tax _DIAMONDS	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Mining tax rate, initial period	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Mining tax rate, pastthreshold	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Threshold for mining tax increase (\$000)	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000
Preproduction allowance	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%
Depreciation	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Manitoba

Corporate income tax rate	15.0%	15.0%	14.5%	14.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%
Capital tax, base rate	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Capital tax, surtax rate	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Capital deductible amount (\$000)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Capital deductible amount for surtax (\$000)	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Mining tax rate	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%
Special tax rate	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Depreciation allowance rate	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
Investment credit rate	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
Processing allowance rate	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%

Ontario

Corporate income tax rate	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Resource allowance rate	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Capital tax rate	0.300%	0.300%	0.300%	0.285%	0.285%	0.225%	0.150%	0.075%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Capital tax, deductible amount (\$000)	5,000	7,500	10,000	12,500	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Mining tax rate	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Mining tax exemption (annual) (\$000)	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500
Mining tax holiday amount (\$000)	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Mining tax holiday period (yr)	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Remote mines																		
Mining tax rate	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Mining tax holiday amount (\$000)	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Mining tax holiday period (yr)	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Depreciation allowance rate: preprod. mine assets	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Depreciation allowance rate: mine assets	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Depreciation allowance rate: processing and transportation assets	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Processing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Development expense allowance rate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Minimum corporate income tax rate	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
Ontario charitable donation deduction rate				100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Made in Ontario deduction part 2 allowance				15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Made in Ontario deduction part 2 allowance limit rate				20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%

Quebec																	
Corporate income tax rate	8.9%	8.9%	9.9%	9.9%	11.4%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%
Resource allowance rate	25%	25%	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Capital tax rate	0.600%	0.525%	0.490%	0.360%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%	0.290%
Capital tax, deductible amount (\$000)	600	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Mining duty rate	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
Depreciation allowance rate assets	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Exploration & development expense allowance rate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Processing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
For mines north of 51°																	
Tax Holiday for first production years	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Limit as % of processing assets for the year	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
New Brunswick																	
Corporate income tax rate	13%	13%	13%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
Capital tax rate	0.300%	0.300%	0.250%	0.200%	0.100%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Capital tax, deductible amount (\$000)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Metallic minerals royalty	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Royalty holiday on initial production (yr)	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Mining tax rate	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%
Depreciation allowance other assets	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%
Depreciation allowance new mine assets	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Minimum depreciation allowance new mine assets	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Exploration expense allowance rate	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%
Processing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Processing allowance maximum of revenue	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Processing allowance maximum of profit	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%
Financing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Income tax credit maximum annual limit (\$000)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Nova Scotia																	
Corporate income tax rate	16%	16%	16%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
Capital tax rate, capital between 5M and 10M	0.550%	0.550%	0.500%	0.450%	0.400%	0.300%	0.200%	0.100%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Capital tax rate, capital above 10M	0.300%	0.275%	0.250%	0.225%	0.200%	0.150%	0.100%	0.050%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Capital tax, deductible amount (\$000)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Capital tax, deductible amount 2nd level (\$000)	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Net revenue royalty	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Royalty holiday on initial production (yr)	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Net income royalty	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Depreciation allowance after yr 3	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Depreciation allowance new mine assets, 1st 3 yr	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Minimum depreciation allowance new mine assets	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Exploration expense allowance rate	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%
Processing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Processing allowance gross-up factor on asset value	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Processing allowance maximum of profit	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%
Financing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Income tax credit maximum annual limit (\$000)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000

Newfoundland & Labrador

Corporate income tax rate	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%
Mining tax rate	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Proportion of Net Income subject to Mining Tax	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
Mineral rights tax rate	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
Depreciation allowance Class 1&2 assets	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Depreciation allowance Class 3 assets	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Exploration expense allowance rate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Processing allowance rate	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Processing allowance maximum of income	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%
Income tax credit (10 yr.)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Income tax credit maximum annual limit (\$000)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000

Yukon

Corporate income tax rate	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
QMA Royalty																		
value of output 1	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
value of output 2	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
value of output 3	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
additional value of output increment	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
royalty rate at output 1	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
royalty rate at output 2	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
royalty rate at output 3	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
royalty rate for additional output increment	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Depreciation allowance rate	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%

International Fiscal Parameters, as of 2007

Current tax and royalty rates, including legislated future changes

Australia	
Federal corporate income tax rate	30%
Western Australia	
Base metal ad valorem royalty rate	5%
Tier 1 ad valorem diamond royalty rate	7.5%
Tier 2 net profit diamond royalty rate	22.5%
South Australia	
Base metal ad valorem royalty rate	3.5%
Reduced ad valorem royalty rate	1.5%
Reduced ad valorem royalty term (yr)	5
Sweden	
Corporate income tax rate	28%
Ad valorem minerals royalty	
to land owner	0.15%
to state	0.05%
total	0.20%
USA	
Federal corporate income tax rate	35%
Alternative minimum tax rate	20%
Environmental tax rate	0.12%
Alaska	
State corporate income tax rate	9.4%
Alternative minimum tax rate	18%
Mining license tax	7%
tax free period (yr)	3
tax reduction in 1st taxable year	50%
tax rate, net income up to \$40k	0%
tax rate, net income between \$40k and \$100k	5%
tax rate, net income above \$100k	7%
Production royalty on net income	3%
Nevada	
State corporate income tax rate	0%
Alternative minimum tax rate	0%
Net proceeds of minerals tax rate	5%
South Africa	
Corporate income tax rate	29%
Ad valorem unrefined base metal royalty rate	4%
Ad valorem unpolished diamond royalty rate	5%
Unpolished diamond export levy	5%

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June 12, 2008

Namibia

Corporate income tax rate - base metals	37.5%
Corporate income tax rate - diamonds	55%
Non-resident tax on dividends rate	10%
Ad valorem base metal royalty rate	3%
Ad valorem diamond royalty rate	10%

Chile

First category tax rate	17%
Additional (profits) tax rate	42%
Mining activities tax rate	5%
production threshold for mining activities tax t/y	50,000

Mexico

Corporate income tax rate	28%
Obligatory profit sharing rate	10%
Tax on assets rate	1.25%

Peru

Corporate income tax rate	
Basic tax rate	27%
Tax on dividends / profit distributions rate	4%
Effective total statutory rate	30%
Mining Royalty rates, ad valorem base tax rate	
value of sales up to \$60M	1%
value of sales from \$60M to \$120M	2%
value of sales above \$120M	3%

Denmark - Greenland

Corporate income tax rate	30%
Mineral royalty fee rate	0%

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June 12, 2008

	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 10%IRR (NWT), After Tax																				
Northwest Territories																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357	
- Normal CCA	0	0	0	0	157,297	118,193	47,932	12,243	13,533	14,587	15,467	16,217	16,872	17,458	17,993	18,492	16,393	12,294	494,970	
- Accelerated CCA	0	0	0	0	15,518	179,576	111,887	0	0	0	0	0	0	0	0	0	0	0	306,981	
= Resource Profits	0	0	0	227,673	98,113	18,053	122,055	234,198	195,945	156,351	202,474	250,538	300,563	213,823	265,090	318,373	229,044	288,115	3,120,406	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Territorial Mining Royalty Deduction	0	0	0	727	754	781	809	838	867	897	16,362	28,367	24,196	11,739	30,072	36,896	27,511	34,782	215,597	
- CEE	0	0	0	0	0	0	70,390	183,851	195,078	155,454	122,935	0	79,265	72,924	-8,085	0	0	0	871,811	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	85,232	
= Net Profit	0	0	0	199,302	74,793	0	39,103	43,511	0	0	63,177	222,171	197,102	129,160	243,103	281,476	201,533	253,334	1,947,765	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	199,302	74,793	0	39,103	43,511	0	0	63,177	222,171	197,102	129,160	243,103	281,476	201,533	253,334	1,947,765	
Basic Federal Income Tax	0	0	0	55,805	19,820	0	9,776	10,225	0	0	13,899	48,878	43,362	28,415	53,483	61,925	44,337	55,733	445,658	
Federal Income Surtax	0	0	0	2,232	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,232	
- Resource Income Tax Reduction	0	0	0	13,951	5,236	0	2,737	3,046	0	0	4,422	15,552	13,797	9,041	17,017	19,703	14,107	17,733	136,344	
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense ITC	0	0	0	44,086	14,585	0	7,039	7,179	0	0	0	0	7,927	8,085	0	0	0	0	88,900	
Federal Income Tax	0	0	0	0	0	0	0	0	0	0	9,477	33,326	21,639	11,289	36,466	42,221	30,230	38,000	222,647	
Territorial Income Tax (\$000)																				
= Taxable Income	0	0	0	199,302	74,793	0	39,103	43,511	0	0	63,177	222,171	197,102	129,160	243,103	281,476	201,533	253,334	1,947,765	
Provincial Income Tax	0	0	0	22,920	8,601	0	4,497	5,004	0	0	7,265	25,550	22,667	14,853	27,957	32,370	23,176	29,133	223,993	
Canada Mining Regulation Royalty (\$000)																				
Net Operating Revenue (incl. ITC)	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357	
- Exploration & Development Allowance	0	0	0	191,864	234,020	213,318	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	941,496	
- Depreciation Allowance	0	0	0	0	0	64,474	172,315	134,309	167,949	128,196	56,407	18,651	19,024	19,404	19,792	20,188	0	0	820,709	
= Income before proc all	0	0	0	35,809	36,908	38,029	39,173	40,339	41,529	42,742	161,533	248,105	219,146	131,026	263,291	316,677	245,437	300,410	2,160,153	
- Processing Allowance	0	0	0	23,276	23,990	24,719	25,462	26,220	26,994	27,782	28,587	29,408	30,245	31,098	31,969	32,858	32,858	32,858	428,324	
= Net Income for Royalty	0	0	0	12,533	12,918	13,310	13,710	14,119	14,535	14,960	132,946	218,697	188,902	99,927	231,321	283,819	212,579	267,552	1,731,829	
Territorial Mining Royalty				727	754	781	809	838	867	897	16,362	28,367	24,196	11,739	30,072	36,896	27,511	34,782	215,597	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Development Expense	0	100,000	122,400	187,272	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	711,966	
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	820,709	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	0	3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	122,573	
- Fed. Income Tax	0	0	0	0	0	0	0	0	0	0	9,477	33,326	21,639	11,289	36,466	42,221	30,230	38,000	222,647	
- Provincial Income Tax	0	0	0	0	22,920	8,601	0	4,497	5,004	0	0	7,265	25,550	22,667	14,853	27,957	32,370	23,176	29,133	
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Mining Tax	0	0	0	0	727	754	781	809	838	867	897	16,362	28,367	24,196	11,739	30,072	36,896	27,511	34,782	
= Net Cash Flow	0	-344,876	-435,203	-483,489	160,464	222,771	281,208	177,537	145,577	191,036	152,115	166,552	160,862	150,645	93,144	168,796	205,189	164,520	198,495	1,375,342

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June 12, 2008

	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 10%IRR (NWT), After Tax																				
Nunavut																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357	
- Normal CCA	0	0	0	0	157,297	118,193	47,932	12,243	13,533	14,587	15,467	16,217	16,872	17,458	17,993	18,492	16,393	12,294	494,970	
- Accelerated CCA	0	0	0	0	15,518	179,576	111,887	0	0	0	0	0	0	0	0	0	0	0	306,981	
= Resource Profits	0	0	0	227,673	98,113	18,053	122,055	234,198	195,945	156,351	202,474	250,538	300,563	213,823	265,090	318,373	229,044	288,115	3,120,406	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Territorial Mining Royalty Deduction	0	0	0	727	754	781	809	838	867	897	16,362	28,367	24,196	11,739	30,072	36,896	27,511	34,782	215,597	
- CEE	0	0	0	0	0	0	70,390	183,851	195,078	155,454	122,935	0	79,265	72,924	-8,085	0	0	0	871,811	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	85,232	
= Net Profit	0	0	0	199,302	74,793	0	39,103	43,511	0	0	63,177	222,171	197,102	129,160	243,103	281,476	201,533	253,334	1,947,765	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	199,302	74,793	0	39,103	43,511	0	0	63,177	222,171	197,102	129,160	243,103	281,476	201,533	253,334	1,947,765	
Basic Federal Income Tax	0	0	0	55,805	19,820	0	9,776	10,225	0	0	13,899	48,878	43,362	28,415	53,483	61,925	44,337	55,733	445,658	
Federal Income Surtax	0	0	0	2,232	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,232	
- Resource Income Tax Reduction	0	0	0	13,951	5,236	0	2,737	3,046	0	0	4,422	15,552	13,797	9,041	17,017	19,703	14,107	17,733	136,344	
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense ITC	0	0	0	44,086	14,585	0	7,039	7,179	0	0	0	0	7,927	8,085	0	0	0	0	88,900	
Federal Income Tax	0	0	0	0	0	0	0	0	0	0	9,477	33,326	21,639	11,289	36,466	42,221	30,230	38,000	222,647	
Territorial Income Tax (\$000)																				
= Taxable Income	0	0	0	199,302	74,793	0	39,103	43,511	0	0	63,177	222,171	197,102	129,160	243,103	281,476	201,533	253,334	1,947,765	
Provincial Income Tax	0	0	0	23,916	8,975	0	4,692	5,221	0	0	7,581	26,661	23,652	15,499	29,172	33,777	24,184	30,400	233,732	
Canada Mining Regulation Royalty (\$000)																				
Net Operating Revenue (incl. ITC)	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357	
- Exploration & Development Allowance	0	0	0	191,864	234,020	213,318	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	941,496	
- Depreciation Allowance	0	0	0	0	64,474	172,315	134,309	167,949	128,196	56,407	18,651	19,024	19,404	19,792	20,188	0	0	0	820,709	
= Income before proc all	0	0	0	35,809	36,908	38,029	39,173	40,339	41,529	42,742	161,533	248,105	219,146	131,026	263,291	316,677	245,437	300,410	2,160,153	
- Processing Allowance	0	0	0	23,276	23,990	24,719	25,462	26,220	26,994	27,782	28,587	29,408	30,245	31,098	31,969	32,858	32,858	32,858	428,324	
= Net Income for Royalty	0	0	0	12,533	12,918	13,310	13,710	14,119	14,535	14,960	132,946	218,697	188,902	99,927	231,321	283,819	212,579	267,552	1,731,829	
Territorial Mining Royalty	0	0	0	727	754	781	809	838	867	897	16,362	28,367	24,196	11,739	30,072	36,896	27,511	34,782	215,597	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Development Expense	0	100,000	122,400	187,272	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	711,966	
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	820,709	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	0	3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	122,573	
- Fed. Income Tax	0	0	0	0	0	0	0	0	0	0	9,477	33,326	21,639	11,289	36,466	42,221	30,230	38,000	222,647	
- Provincial Income Tax	0	0	0	0	23,916	8,975	0	4,692	5,221	0	0	7,581	26,661	23,652	15,499	29,172	33,777	24,184	30,400	
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Mining Tax	0	0	0	0	727	754	781	809	838	867	897	16,362	28,367	24,196	11,739	30,072	36,896	27,511	34,782	
= Net Cash Flow	0	-344,876	-435,203	-483,489	159,468	222,397	281,208	177,342	145,360	191,036	152,115	166,236	159,751	149,660	92,498	167,581	203,782	163,512	197,228	1,365,604

Appendix 6c - Diamond10.xls

June 12, 2008

	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 10%IRR (NWT), After Tax																				
British Columbia																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357
- Normal CCA	0	0	0	0	0	157,297	120,444	51,567	12,243	13,533	14,587	15,467	16,217	16,872	17,458	17,993	18,492	16,393	12,294	500,856
- Accelerated CCA	0	0	0	0	0	6,513	171,790	122,792	0	0	0	0	0	0	0	0	0	0	0	301,095
= Resource Profits	0	0	0	0	227,673	107,118	23,588	107,514	234,198	195,945	156,351	202,474	250,538	300,563	213,823	265,090	318,373	229,044	288,115	3,120,406
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Provincial Mining Royalty Deduction	0	0	0	0	4,553	5,419	6,316	5,637	4,929	4,190	3,419	4,359	5,335	6,349	4,626	5,662	18,615	31,907	39,053	150,368
- CEE	0	0	0	0	0	0	0	51,021	179,760	191,755	152,932	152,239	0	79,265	72,924	-8,085	0	0	0	871,811
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest Expense	0	0	0	0	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	85,232
= Net Profit	0	0	0	0	195,475	79,134	-	39,103	43,511	0	0	45,876	245,203	214,949	136,273	267,513	299,757	197,137	249,062	2,012,994
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Taxable Income	0	0	0	0	195,475	79,134	0	39,103	43,511	0	0	45,876	245,203	214,949	136,273	267,513	299,757	197,137	249,062	2,012,994
Basic Federal Income Tax	0	0	0	0	54,733	20,970	0	9,776	10,225	0	0	10,093	53,945	47,289	29,980	58,853	65,947	43,370	54,794	459,974
Federal Income Surtax	0	0	0	0	2,189	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,189
- Resource Income Tax Reduction	0	0	0	0	13,683	5,539	0	2,737	3,046	0	0	3,211	17,164	15,046	9,539	18,726	20,983	13,800	17,434	140,910
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense ITC	0	0	0	0	43,239	15,431	0	7,039	7,179	0	0	0	0	7,927	8,085	0	0	0	0	88,900
Federal Income Tax	0	0	0	0	0	0	0	0	0	0	0	6,881	36,780	24,316	12,356	40,127	44,964	29,571	37,359	232,354
Provincial Income Tax (\$000)																				
Net Operating Revenue	0	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357
- Regular CCA	0	0	0	0	153,278	108,428	51,792	10,357	12,033	13,375	14,469	15,378	16,151	16,822	17,420	17,965	18,471	16,377	12,283	494,598
- Accelerated CCA	0	0	0	0	42,198	134,515	130,675	0	0	0	0	0	0	0	0	0	0	0	0	307,388
= Resource Profits	0	0	0	0	32,198	27,984	133,355	271,517	234,408	196,102	156,469	202,562	250,605	300,613	213,860	265,118	318,394	229,060	288,127	3,120,371
- Mineral Tax	0	0	0	0	4,553	5,419	6,316	5,637	4,929	4,190	3,419	4,359	5,335	6,349	4,626	5,662	18,615	31,907	39,053	150,368
- CDE	0	0	0	0	0	0	0	21,116	36,319	25,423	17,796	12,457	8,720	29,884	45,174	31,622	22,135	15,495	10,846	276,986
- CEE	0	0	0	0	0	0	109,767	233,011	187,162	128,478	0	0	0	0	0	0	0	0	0	658,417
- Interest Expense	0	0	0	0	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	85,232
= Net Profit	0	0	0	0	0	0	0	0	0	38,012	135,254	185,746	236,549	264,381	164,061	227,835	277,643	181,658	238,228	1,949,367
- Prior Years' Losses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Taxable Income	0	0	0	0	0	0	0	0	0	38,012	135,254	185,746	236,549	264,381	164,061	227,835	277,643	181,658	238,228	1,949,367
Provincial Income Tax	0	0	0	0	0	0	0	0	0	4,181	14,878	20,432	26,020	29,082	18,047	25,062	30,541	19,982	26,205	214,430
Provincial Mining Tax (\$000)																				
Stage I tax																				
Gross revenue	0	0	0	0	379,426	425,716	473,705	442,915	410,703	377,025	341,836	392,257	444,558	498,794	416,266	471,768	529,324	441,745	500,644	6,546,681
- Operating Costs	0	0	0	0	151,753	154,788	157,884	161,041	164,262	167,547	170,898	174,316	177,803	181,359	184,986	188,685	192,459	196,308	200,235	2,624,323
= Net current proceeds	0	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357
= Stage I tax	0	0	0	0	4,553	5,419	6,316	5,637	4,929	4,190	3,419	4,359	5,335	6,349	4,626	5,662	6,737	4,909	6,008	78,447
Stage II tax																				0
- Current prescribed costs	0	455,000	564,400	615,570	167,671	171,024	174,445	248,319	253,285	185,122	188,825	192,601	196,453	279,647	285,240	208,478	212,647	196,308	200,235	4,795,270
- Investment allowance	0	0	9,669	31,536	57,486	67,959	60,713	51,676	43,570	38,113	32,426	26,596	20,356	11,838	3,499	0	0	0	0	455,437
- Opening CEA balance	0	0	455,000	1,029,069	1,676,175	1,521,907	1,335,175	1,096,627	953,707	839,859	686,069	565,484	392,424	164,675	0	0	0	0	0	10,716,171
= Net revenue	0	-455,000	-1,029,069	-1,676,175	-1,521,907	-1,335,175	-1,096,627	-953,707	-839,859	-686,069	-565,484	-392,424	-164,675	42,633	127,526	263,291	316,677	245,437	300,410	-9,420,197
Stage II tax	0	0	0	0	0	0	0	0	0	0	0	0	0	5,542	16,578	34,228	41,168	31,907	39,053	168,477
- Prior year CTCA	0	0	0	0	0	0	4,767	10,663	17,775	24,510	30,819	36,650	41,946	48,476	56,333	59,818	50,109	22,553	0	404,419
- Current year Stage I tax	0	0	0	0	4,553	5,419	6,316	5,637	4,929	4,190	3,419	4,359	5,335	6,349	4,626	5,662	6,737	4,909	6,008	78,447
= Net Stage II tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11,878	26,998	33,045	71,921	
Total Stage I plus Stage II tax	0	0	0	0	4,553	5,419	6,316	5,637	4,929	4,190	3,419	4,359	5,335	6,349	4,626	5,662	18,615	31,907	39,053	150,368
Cash Flow from Operations (\$000)																				
Net operating revenue					227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530
- Development Expense	0	100,000	122,400	187,272	0	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	711,966
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	820,709
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Interest expense		3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	122,573
- Fed. Income Tax	0	0	0	0	0	0	0	0	0	0	0	6,881	36,780	24,316	12,356	40,127	44,964	29,571	37,359	232,354
- Provincial Income Tax	0	0	0	0	0	0	0	0	0	4,181	14,878	20,432	26,020	29,082	18,047	25,062	30,541	19,982	26,205	214,430
- Provincial Capital Tax																				
- Provincial Mining Tax	0	0	0	0	4,553	5,419	6,316	5,637	4,929	4,190	3,419	4,359	5,335	6,349	4,626	5,662	18,615	31,907	39,053	150,368
= Net Cash Flow	0	-344,876	-435,203	-483,489	179,557	226,707	275,673	177,206	146,490	183,532	134,715	167,983	179,96							

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June 12, 2008

	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 10%IRR (NWT), After Tax																				
Alberta																				
Metallic & Diamonds																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357
- Normal CCA	0	0	0	0	0	157,297	119,416	49,891	12,243	13,533	14,587	15,467	16,217	16,872	17,458	17,993	18,492	16,393	12,294	498,151
- Accelerated CCA	0	0	0	0	0	10,625	175,413	117,762	0	0	0	0	0	0	0	0	0	0	0	303,800
= Resource Profits	0	0	0	0	227,673	103,006	20,993	114,221	234,198	195,945	156,351	202,474	250,538	300,563	213,823	265,090	318,373	229,044	288,115	3,120,406
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Provincial Mining Royalty Deduction	0	0	0	0	2,827	3,266	3,721	3,388	3,040	2,678	2,299	2,776	25,361	21,761	11,058	26,799	33,073	24,524	31,121	197,692
- CEE	0	0	0	0	0	0	0	59,978	181,648	193,267	154,051	138,763	0	79,265	72,924	-8,085	0	0	0	871,811
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest Expense	0	0	0	0	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	85,232
= Net Profit	0	0	0	0	197,202	77,175	-	39,103	43,511	0	0	60,934	225,177	199,537	129,841	246,376	285,300	204,520	256,995	1,965,670
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Taxable Income	0	0	0	0	197,202	77,175	0	39,103	43,511	0	0	60,934	225,177	199,537	129,841	246,376	285,300	204,520	256,995	1,965,670
Basic Federal Income Tax	0	0	0	0	55,217	20,451	0	9,776	10,225	0	0	13,406	49,539	43,898	28,565	54,203	62,766	44,994	56,539	449,578
Federal Income Surtax	0	0	0	0	2,209	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,209
- Resource Income Tax Reduction	0	0	0	0	13,804	5,402	0	2,737	3,046	0	0	4,265	15,762	13,968	9,089	17,246	19,971	14,316	17,990	137,597
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense ITC	0	0	0	0	43,621	15,049	0	7,039	7,179	0	0	0	0	7,927	8,085	0	0	0	0	88,900
Federal Income Tax	0	0	0	0	0	0	0	0	0	0	0	9,140	33,777	22,004	11,391	36,956	42,795	30,678	38,549	225,290
Provincial Income Tax (\$000)																				
Net Operating Revenue	0	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357
- Regular CCA	0	0	0	0	153,278	107,996	50,822	10,357	12,033	13,375	14,469	15,378	16,151	16,822	17,420	17,965	18,471	16,377	12,283	493,196
- Accelerated CCA	0	0	0	0	43,924	137,100	127,766	0	0	0	0	0	0	0	0	0	0	0	0	308,790
= Resource Profits	0	0	0	0	30,471	25,831	137,234	271,517	234,408	196,102	156,469	202,562	250,605	300,613	213,860	265,118	318,394	229,060	288,127	3,120,371
- Resource Tax Deduction	0	0	0	0	2,827	3,266	3,721	3,388	3,040	2,678	2,299	2,776	25,361	21,761	11,058	26,799	33,073	24,524	31,121	197,692
- CDE	0	0	0	0	0	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	302,294
- CEE	0	0	0	0	0	0	116,242	185,991	153,576	193,425	9,184	0	0	0	0	0	0	0	0	658,417
- Interest Expense	0	0	0	0	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	85,232
= Net Profit	0	0	0	0	0	0	0	0	0	144,985	199,786	225,243	199,587	121,951	238,319	285,321	204,536	257,007	1,876,735	
- Prior Years' Losses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Taxable Income	0	0	0	0	0	0	0	0	0	144,985	199,786	225,243	199,587	121,951	238,319	285,321	204,536	257,007	1,876,735	
Provincial Income Tax	0	0	0	0	0	0	0	0	0	14,499	19,979	22,524	19,959	12,195	23,832	28,532	20,454	25,701	187,674	
Provincial Mining Tax (\$000)																				
Gross Revenue Portion																				
Gross Revenue	0	0	0	0	379,426	425,716	473,705	442,915	410,703	377,025	341,836	392,257	444,558	498,794	416,266	471,768	529,324	441,745	500,644	6,546,681
- Processing costs	0	0	0	0	53,113	54,176	55,259	56,364	57,492	58,642	59,814	61,011	62,231	63,476	64,745	66,040	67,361	68,708	70,082	918,513
- Capital allowance	4,125	25,163	42,329	43,642	44,892	46,348	47,742	49,163	50,613	52,092	53,601	55,139	56,709	58,310	59,942	61,608	63,316	65,065	66,847	874,724
= Mine mouth revenue	0	0	0	0	282,670	326,558	372,098	338,808	304,048	267,770	229,929	277,646	327,188	378,610	293,211	345,786	400,355	311,429	368,954	4,825,060
Tax	0	0	0	0	2,827	3,266	3,721	3,388	3,040	2,678	2,299	2,776	3,272	3,786	2,932	3,458	4,004	3,114	3,690	48,251
Net Profit Portion																				
Gross Revenue	0	0	0	0	379,426	425,716	473,705	442,915	410,703	377,025	341,836	392,257	444,558	498,794	416,266	471,768	529,324	441,745	500,644	6,546,681
- Allowed capital costs	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	20,586	20,984	21,382	820,709
- Allowed operating costs	0	0	0	151,753	154,788	157,884	161,041	164,262	167,547	170,898	174,316	177,803	181,359	184,986	188,685	192,459	196,308	200,235	204,162	2,624,323
- Allowed exportation & development costs	175,000	198,900	265,302	0	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	0	941,496
- Processing Allowance	0	0	0	29,095	29,988	30,899	31,828	32,776	33,742	34,728	35,734	36,760	37,806	38,873	39,962	41,072	42,196	43,344	44,514	535,405
- Operating losses carried forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5,500,719
Net revenue	-341,250	-764,550	-1,226,228	-1,043,568	-818,864	-550,502	-387,734	-263,092	-104,932	13,352	163,922	211,345	181,341	92,153	223,329	275,605	204,365	259,338	-3,875,971	
Tax	0	0	0	0	0	0	0	0	0	0	25,361	21,761	11,058	26,799	33,073	24,524	31,121	173,692		
Provincial Mining Tax	0	0	0	0	2,827	3,266	3,721	3,388	3,040	2,678	2,299	2,776	25,361	21,761	11,058	26,799	33,073	24,524	31,121	197,692
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530
- Development Expense	0	100,000	122,400	187,272	0	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	711,966
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	20,586	20,984	820,709
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Interest expense	3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	0	122,573
- Fed. Income Tax	0	0	0	0	0	0	0	0	0	0	0	9,140	33,777	22,004	11,391	36,956	42,795	30,678	38,549	225,290
- Provincial Income Tax	0	0	0	0	0	0	0	0	0	0	0	14,499	19,979	22,524	19,959	12,195	23,832	28,532	20,454	187,674
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Provincial Mining Tax	0	0	0	0	2,827	3,266	3,721	3,388	3,040	2,678	2,299	2,776	25,361							

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	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 10%IRR (NWT), After Tax																				
Saskatchewan (Gold & Base Metal)																				
Federal Income Tax (\$000)																				
Net Operating Revenue		0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357
- Normal CCA		0	0	0	0	157,297	117,798	47,342	12,243	13,533	14,587	15,467	16,217	16,872	17,458	17,993	18,492	16,393	12,294	493,985
- Accelerated CCA		0	0	0	0	17,097	180,752	110,117	0	0	0	0	0	0	0	0	0	0	0	307,966
= Resource Profits		0	0	0	227,673	96,534	17,272	124,414	234,198	195,945	156,351	202,474	250,538	300,563	213,823	265,090	318,373	229,044	288,115	3,120,406
- Resource Allowance		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Provincial Mining Royalty Deduction		0	0	0	0	0	0	0	0	0	0	0	0	0	6,551	22,066	31,668	24,544	30,041	114,870
- CEE		0	0	0	0	0	0	73,559	184,689	195,636	156,351	117,473	0	79,265	72,924	-8,085	0	0	0	871,811
- CDE		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest Expense		0	0	0	27,644	22,566	17,272	11,752	5,998	309	0	0	0	0	0	0	0	0	0	85,541
= Net Profit		0	0	0	200,029	73,968	0	39,103	43,511	0	0	85,001	250,538	221,298	134,348	251,109	286,705	204,500	258,074	2,048,184
- Losses Carried Forward		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Taxable Income		0	0	0	200,029	73,968	0	39,103	43,511	0	0	85,001	250,538	221,298	134,348	251,109	286,705	204,500	258,074	2,048,184
Basic Federal Income Tax		0	0	0	56,008	19,602	0	9,776	10,225	0	0	18,700	55,118	48,686	29,556	55,244	63,075	44,990	56,776	467,757
Federal Income Surtax		0	0	0	2,240	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,240
- Resource Income Tax Reduction		0	0	0	14,002	5,178	0	2,737	3,046	0	0	5,950	17,538	15,491	9,404	17,578	20,069	14,315	18,065	143,373
- Atlantic ITC		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense ITC		0	0	0	44,246	14,424	0	7,039	7,179	0	0	0	7,927	8,085	0	0	0	0	0	88,900
Federal Income Tax		0	0	0	0	0	0	0	0	0	0	12,750	37,581	25,268	12,067	37,666	43,006	30,675	38,711	237,724
Provincial Income Tax (\$000)																				
Taxable Income (from Federal Calc'n)		0	0	0	200,029	73,968	0	39,103	43,511	0	0	85,001	250,538	221,298	134,348	251,109	286,705	204,500	258,074	2,048,184
Provincial Income Tax		0	0	0	27,004	9,246	0	4,692	5,221	0	0	10,200	30,065	26,556	16,122	30,133	34,405	24,540	30,969	249,152
Provincial Capital Tax (\$000)																				
Taxable Capital		0	0	0	107,683	264,034	362,391	530,463	751,980	883,882	990,304	963,152								
Basic Capital Tax		0	0	0	98	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross resource production revenue		0	0	0	379,426	425,716	473,705	442,915	410,703	377,025	341,836	392,257	444,558	498,794	416,266	471,768	529,324	441,745	500,644	6,546,681
Resource surcharge		0	0	0	12,142	13,197	14,211	13,287	12,321	11,311	10,255	11,768	13,337	14,964	12,488	14,153	15,880	13,252	15,019	2,624,323
Resource Surtax		0	0	0	12,142	13,100	14,211	13,287	12,321	11,311	10,255	11,768	13,337	14,964	12,488	14,153	15,880	13,252	15,019	2,624,323
Capital Tax		0	0	0	12,142	13,197	14,211	13,287	12,321	11,311	10,255	11,768	13,337	14,964	12,488	14,153	15,880	13,252	15,019	197,585
Provincial Mining Royalty (\$000)																				
Gross revenue		0	0	0	379,426	425,716	473,705	442,915	410,703	377,025	341,836	392,257	444,558	498,794	416,266	471,768	529,324	441,745	500,644	6,546,681
- Operating costs		0	0	0	151,753	154,788	157,884	161,041	164,262	167,547	170,898	174,316	177,803	181,359	184,986	188,685	192,459	196,308	200,235	2,624,323
- Preproduction Allowance		0	0	0	227,673	270,928	315,822	144,380	0	0	0	0	0	0	0	0	0	0	0	958,803
- Exploration & Development		0	0	0	0	0	0	70,385	71,793	0	0	0	79,265	80,850	0	0	0	0	0	302,294
- Depreciation		0	0	0	0	0	0	67,108	174,648	209,478	170,938	101,479	18,651	19,024	19,404	19,792	20,188	0	0	820,709
- Loss carryforward		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Profit		0	0	0	0	0	0	0	0	0	0	116,462	248,105	219,146	131,026	263,291	316,677	245,437	300,410	1,840,552
Basic royalty		0	0	0	0	0	0	0	0	0	0	5,823	12,405	10,957	6,551	22,066	31,668	24,544	30,041	144,055
Royalty holiday		0	0	0	0	0	0	0	0	0	0	5,823	12,405	10,957	0	0	0	0	0	29,186
Provincial Mining Royalty		0	0	0	0	0	0	0	0	0	0	0	0	0	6,551	22,066	31,668	24,544	30,041	114,870
Cash Flow from Operations (\$000)																				
Net operating revenue		0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357
- Property Acquisition		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense		0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530
- Development Expense		0	100,000	122,400	187,272	0	0	70,385	71,793	0	0	0	79,265	80,850	0	0	0	0	0	711,966
- Capital Plant & Infrastructure		0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	820,709
- Working Capital (withdrawal is -ve)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Interest expense		3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	309	0	0	0	0	0	0	0	0	0	122,882
- Fed. Income Tax		0	0	0	0	0	0	0	0	0	0	12,750	37,581	25,268	12,067	37,666	43,006	30,675	38,711	237,724
- Provincial Income Tax		0	0	0	27,004	9,246	0	4,692	5,221	0	0	10,200	30,065	26,556	16,122	30,133	34,405	24,540	30,969	249,152
- Provincial Capital Tax		0	0	0	12,142	13,197	14,211	13,287	12,321	11,311	10,255	11,768	13,337	0	0	0	0	0	0	11,829
- Provincial Mining Tax		0	0	0	0	0	0	0	0	0	0	0	0	0	6,551	22,066	31,668	24,544	30,041	114,870
= Net Cash Flow from Operations, After Tax		-344,876	-435,203	-483,489	144,965	209,682	267,778	164,864	133,877	180,283	142,756	164,938	167,123	167,323	96,286	173,425	207,599	165,678	200,689	1,323,696

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June 12, 2008

	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 10%IRR (NWT), After Tax																				
Manitoba																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357	
- Normal CCA	0	0	0	0	152,765	113,267	42,811	12,243	13,533	14,587	15,467	16,217	16,872	17,458	17,993	18,492	16,393	12,294	480,391	
- Accelerated CCA	0	0	0	0	21,628	185,284	96,523	0	0	0	0	0	0	0	0	0	0	0	303,435	
= Resource Profits	0	0	0	227,673	96,534	17,272	142,539	234,198	195,945	156,351	202,474	250,538	300,563	213,823	265,090	318,373	229,044	288,115	3,138,532	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Mining Royalty Deduction	0	0	0	0	0	0	3,115	3,115	3,115	3,115	8,022	18,366	25,403	15,077	24,116	41,092	25,587	36,243	206,364	
- CEE	0	0	0	0	0	0	88,570	181,574	192,792	153,236	92,320	0	79,265	72,924	-8,085	0	0	0	852,596	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	27,644	22,566	17,272	11,752	5,998	39	0	0	0	0	0	0	0	0	0	85,271	
= Net Profit	0	0	0	200,029	73,968	0	39,103	43,511	0	0	102,132	232,173	195,895	125,822	249,059	277,280	203,457	251,872	1,994,301	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	200,029	73,968	0	39,103	43,511	0	0	102,132	232,173	195,895	125,822	249,059	277,280	203,457	251,872	1,994,301	
Basic Federal Income Tax	0	0	0	56,008	19,602	0	9,776	10,225	0	0	22,469	51,078	43,097	27,681	54,793	61,002	44,761	55,412	455,902	
Federal Income Surtax	0	0	0	2,240	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,240	
- Resource Income Tax Reduction	0	0	0	14,002	5,178	0	2,737	3,046	0	0	7,149	16,252	13,713	8,808	17,434	19,410	14,242	17,631	139,601	
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense ITC	0	0	0	44,246	14,424	0	7,039	7,179	0	0	0	0	7,927	8,085	0	0	0	0	88,900	
Federal Income Tax	0	0	0	0	0	0	0	0	0	0	15,320	34,826	21,458	10,788	37,359	41,592	30,519	37,781	229,642	
Provincial Income Tax (\$000)																				
Taxable Income (from Federal Calc'n)	0	0	0	200,029	73,968	0	39,103	43,511	0	0	102,132	232,173	195,895	125,822	249,059	277,280	203,457	251,872	1,994,301	
Provincial Income Tax	0	0	0	28,004	9,616	0	5,083	5,656	0	0	13,277	30,182	25,466	16,357	32,378	36,046	26,449	32,743	261,259	
Provincial Capital Tax (\$000)																				
Taxable Capital	0	0	0	7,911	150,287	319,601	441,017	612,326	836,151	968,235	1,043,460	1,009,907								
Basic Capital Tax	0	0	0	9	436	944	1,308	1,822	2,493	2,890	3,115	3,015								
Capital Surtax	0	0	0	0	135	305	426	597	821	953	1,028	995								
Capital Tax	0	0	0	9	571	1,248	1,734	2,419	3,315	3,843	4,144	4,010							21,293	
Provincial Mining Tax (\$000)																				
Net Operating Revenue	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357	
- Exploration Expenses	0	0	0	0	0	0	99,450	83,198	61,511	35,121	27,265	0	0	0	0	0	0	0	306,545	
- Depreciation Allowance	0	0	0	202,523	165,266	135,525	111,798	92,618	77,342	65,192	55,544	47,478	40,213	33,873	29,765	26,430	21,144	16,916	1,121,627	
- Tax Holiday Allowance	0	0	0	25,150	105,662	180,297	0	0	0	0	0	0	0	0	0	0	0	0	311,109	
= Profit before proc all	0	0	0	0	0	0	70,625	70,625	70,625	70,625	135,132	219,278	277,223	197,407	253,318	310,434	224,292	283,494	2,183,076	
- Processing Allowance	0	0	0	0	0	0	45,906	45,906	45,906	45,906	71,468	73,519	75,612	77,746	79,923	82,144	82,144	82,144	808,324	
= Taxable Profit	0	0	0	0	0	0	24,719	24,719	24,719	24,719	63,665	145,759	201,611	119,661	173,395	228,290	142,148	201,350	1,374,753	
Special Tax	0	0	0	0	0	0	124	124	124	124	318	729	1,008	598	867	1,141	711	1,007	6,874	
Mining Tax	0	0	0	0	0	0	4,449	4,449	4,449	4,449	11,460	26,237	36,290	21,539	31,211	41,092	25,587	36,243	247,456	
- Investment Credit	0	0	0	0	0	0	1,335	1,335	1,335	1,335	3,438	7,871	10,887	6,462	7,095	0	0	0	41,092	
- Special Tax Refund	0	0	0	0	0	0	124	124	124	124	318	729	1,008	598	867	1,141	711	1,007	6,874	
Provincial Mining Tax	0	0	0	0	0	0	3,115	3,115	3,115	3,115	8,022	18,366	25,403	15,077	24,116	41,092	25,587	36,243	206,364	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Development Expense	0	100,000	122,400	187,272	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	711,966	
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	820,709	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	39	0	0	0	0	0	0	0	0	0	122,612	
- Fed. Income Tax	0	0	0	0	0	0	0	0	0	0	15,320	34,826	21,458	10,788	37,359	41,592	30,519	37,781	229,642	
- Provincial Income Tax	0	0	0	28,004	9,616	0	5,083	5,656	0	0	13,277	30,182	25,466	16,357	32,378	36,046	26,449	32,743	261,259	
- Provincial Capital Tax	0	0	0	9	571	1,248	1,734	2,419	3,315	3,843	4,144	4,010	0	0	0	0	0	0	21,293	
- Provincial Mining Tax	0	0	0	0	0	0	3,115	3,115	3,115	3,115	8,022	18,366	25,403	15,077	24,116	41,092	25,587	36,243	206,364	
= Net Cash Flow from Operations, After Tax	-344,876	-435,203	-483,489	156,098	221,938	280,741	172,912	140,229	185,435	146,054	158,893	160,721	146,819	88,804	169,438	197,946	162,882	193,642	1,318,983	

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June 12, 2008

	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 10%IRR (NWT), After Tax																				
Ontario																				
Diamond Royalty																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357
- Normal CCA	0	0	0	0	0	157,297	118,098	47,791	12,243	13,533	14,587	15,467	16,217	16,872	17,458	17,993	18,492	16,393	12,294	494,733
- Accelerated CCA	0	0	0	0	0	15,898	179,858	111,462	0	0	0	0	0	0	0	0	0	0	0	307,218
= Resource Profits	0	0	0	0	227,673	97,733	17,866	122,621	234,198	195,945	156,351	202,474	250,538	300,563	213,823	265,090	318,373	229,044	288,115	3,120,406
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Provincial Mining Royalty Deduction	0	0	0	0	551	573	595	617	640	663	687	12,639	24,242	18,906	8,941	25,756	32,750	23,388	30,877	181,828
- CEE	0	0	0	0	0	0	0	71,148	184,048	195,254	155,663	121,593	0	79,265	72,924	-8,085	0	0	0	871,811
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest Expense	0	0	0	0	27,644	22,566	17,272	11,752	5,998	27	0	0	0	0	0	0	0	0	0	85,260
= Net Profit	0	0	0	0	199,477	74,594	-	39,103	43,511	0	0	68,241	226,297	202,392	131,958	247,419	285,623	205,656	257,238	1,981,507
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Taxable Income	0	0	0	0	199,477	74,594	0	39,103	43,511	0	0	68,241	226,297	202,392	131,958	247,419	285,623	205,656	257,238	1,981,507
Basic Federal Income Tax	0	0	0	0	55,854	19,767	0	9,776	10,225	0	0	15,013	49,785	44,526	29,031	54,432	62,837	45,244	56,592	453,083
Federal Income Surtax	0	0	0	0	2,234	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,234
- Resource Income Tax Reduction	0	0	0	0	13,963	5,222	0	2,737	3,046	0	0	4,777	15,841	14,167	9,237	17,319	19,994	14,396	18,007	138,706
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense ITC	0	0	0	0	44,124	14,546	0	7,039	7,179	0	0	0	0	7,927	8,085	0	0	0	0	88,900
Federal Income Tax	0	0	0	0	0	0	0	0	0	0	0	10,236	33,944	22,432	11,709	37,113	42,843	30,848	38,586	227,712
Provincial Income Tax (\$000)																				
Net Operating Revenue	0	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357
- Regular CCA	0	0	0	0	153,278	109,593	53,483	10,357	12,033	13,375	14,469	15,378	16,151	16,822	17,420	17,965	18,471	16,377	12,283	497,455
- Accelerated CCA	0	0	0	0	37,536	131,247	135,749	0	0	0	0	0	0	0	0	0	0	0	0	304,532
= Resource Profits	0	0	0	0	36,859	30,088	126,590	271,517	234,408	196,102	156,469	202,562	250,605	300,613	213,860	265,118	318,394	229,060	288,127	3,120,371
- Resource Allowance	0	0	0	0	9,215	7,522	31,647	67,879	58,602	49,026	39,117	50,641	62,651	75,153	53,465	66,280	79,598	57,265	72,032	780,093
- CDE	0	0	0	0	0	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	302,294
- CEE	0	0	0	0	0	0	77,671	121,500	98,014	147,050	117,351	96,831	0	0	0	0	0	0	0	658,417
- Interest Expense	0	0	0	0	27,644	22,566	17,272	11,752	5,998	27	0	0	0	0	0	0	0	0	0	85,260
= Net Profit	0	0	0	0	0	0	0	0	0	0	0	55,091	187,953	146,195	79,545	198,839	238,795	171,795	216,095	1,294,307
- Prior Years' Losses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Taxable Income	0	0	0	0	0	0	0	0	0	0	0	55,091	187,953	146,195	79,545	198,839	238,795	171,795	216,095	1,294,307
Basic Provincial Income Tax	0	0	0	0	0	0	0	0	0	0	0	6,611	22,554	17,543	9,545	23,861	28,655	20,615	25,931	155,317
Corporate Minimum Tax	0	0	0	0	9,107	10,837	12,633	11,275	9,858	8,379	6,838	2,107	-11,884	-4,846	-294	-12,537	-15,181	-6,346	0	19,944
Provincial Income Tax	0	0	0	0	9,107	10,837	12,633	11,275	9,858	8,379	6,838	8,718	10,670	12,697	9,251	11,323	13,475	14,269	25,931	175,261
Provincial Capital Tax (\$000)																				
Taxable Capital	0	0	0	0	7,050	147,703	304,508	405,956	580,008	803,693	937,638	1,051,304	1,036,279	0	0	0	0	0	0	0
Capital Tax	0	0	0	0	0	378	651	586	424	0	0	0	0	0	0	0	0	0	0	2,040
Provincial Diamond Royalty (\$000)																				
Net Operating Revenue (incl. ITC)	0	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357
- Offsite exploration within Ontario	0	0	0	0	0	0	0	0	0	0	0	0	0	79,265	80,850	0	0	0	0	941,496
- Exploration & Development Allowance	0	0	0	0	191,864	234,020	213,318	70,385	71,793	0	0	0	0	19,024	19,404	19,792	20,188	0	0	820,709
- Depreciation Allowance	0	0	0	0	0	0	64,474	172,315	134,309	167,949	128,196	56,407	18,651	19,024	19,404	19,792	20,188	0	0	820,709
= Income before proc all	0	0	0	0	35,809	36,908	38,029	39,173	40,339	41,529	42,742	161,533	248,105	219,146	131,026	263,291	316,677	245,437	300,410	2,160,153
- Processing Allowance	0	0	0	0	23,276	23,990	24,719	25,462	26,220	26,994	27,782	28,587	29,408	30,245	31,098	31,969	32,858	32,858	32,858	428,324
= Net Income after Processing Allowance	0	0	0	0	12,533	12,918	13,310	13,710	14,119	14,535	14,960	132,946	218,697	188,902	99,927	231,321	283,819	212,579	267,552	1,731,829
- Community Econ.Dev. Incentive (1)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Community Econ.Dev. Incentive (2)	0	0	0	0	2,507	2,584	2,662	2,742	2,824	2,907	2,992	26,589	29,468	37,780	19,985	31,272	31,897	29,446	30,035	255,690
= Net Income for Royalty	0	0	0	0	10,027	10,334	10,648	10,968	11,295	11,628	11,968	106,357	189,229	151,121	79,942	200,050	251,922	183,133	237,517	1,476,139
Territorial Mining Royalty	0	0	0	0	551	573	595	617	640	663	687	12,639	24,242	18,906	8,941	25,756	32,750	23,388	30,877	181,828

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June 12, 2008

	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total	
Larger Scale Diamond Mine, 10%IRR (NWT), After Tax Ontario																					
Diamond Royalty																					
Cash Flow from Operations (\$000)																					Total
Net operating revenue	0	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Development Expense	0	100,000	122,400	187,272	0	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	711,966	
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	820,709	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve																					
- Interest expense	3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	27	0	0	0	0	0	0	0	0	0	0	122,601	
- Fed. Income Tax	0	0	0	0	0	0	0	0	0	0	10,236	33,944	22,432	11,709	37,113	42,843	30,848	38,586	0	227,712	
- Provincial Income Tax	0	0	0	0	9,107	10,837	12,633	11,275	9,858	8,379	6,838	8,718	10,670	12,697	9,251	11,323	13,475	14,269	25,931	175,261	
- Provincial Capital Tax	0	0	0	0	378	651	586	424	0	0	0	0	0	0	0	0	0	0	0	2,040	
- Provincial Mining Tax	0	0	0	0	551	573	595	617	640	663	687	12,639	24,242	18,906	8,941	25,756	32,750	23,388	30,877	181,828	
= Net Cash Flow from Operations, After Tax	-344,876	-435,203	-483,489	174,452	220,337	268,110	170,365	140,498	182,833	145,487	168,062	179,248	165,110	101,125	189,098	227,609	176,931	205,015	1,450,712		

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June 12, 2008

	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 10%IRR (NWT), After Tax																				
Quebec																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357	
- Normal CCA	0	0	0	0	157,321	118,719	48,689	12,243	13,533	14,587	15,467	16,217	16,872	17,458	17,993	18,492	16,393	12,294	496,277	
- Accelerated CCA	0	0	0	0	13,484	178,127	114,158	0	0	0	0	0	0	0	0	0	0	0	305,769	
= Resource Profits	0	0	0	227,673	100,123	18,975	119,026	234,198	195,945	156,351	202,474	250,538	300,563	213,823	265,090	318,373	229,044	288,115	3,120,311	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- ProvincialMining Royalty Deduction	0	0	0	1,504	1,550	1,597	1,645	1,694	11,481	15,027	20,528	26,244	22,668	11,991	27,759	34,058	25,509	32,106	235,363	
- CEE	0	0	0	0	0	0	66,453	182,957	184,464	141,323	152,610	0	79,265	72,924	-8,085	0	0	0	871,912	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	27,815	22,705	17,378	11,825	6,035	0	0	0	0	0	0	0	0	0	0	0	
= Net Profit	0	0	0	198,354	75,868	-	39,103	43,511	0	29,335	224,295	198,630	128,908	245,417	284,314	203,535	256,009	1,927,278		
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	198,354	75,868	0	39,103	43,511	0	29,335	224,295	198,630	128,908	245,417	284,314	203,535	256,009	1,927,278		
Basic Federal Income Tax	0	0	0	55,539	20,105	0	9,776	10,225	0	6,454	49,345	43,699	28,360	53,992	62,549	44,778	56,322	441,142		
Federal Income Surtax	0	0	0	2,222	0	0	0	0	0	0	0	0	0	0	0	0	0	2,222		
- Resource Income Tax Reduction	0	0	0	13,885	5,311	0	2,737	3,046	0	2,053	15,701	13,904	9,024	17,179	19,902	14,247	17,921	134,909		
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
- Exploration Expense ITC	0	0	0	43,876	14,794	0	7,039	7,179	0	0	0	7,927	8,085	0	0	0	0	88,900		
Federal Income Tax	0	0	0	0	0	0	0	0	0	4,400	33,644	21,868	11,251	36,812	42,647	30,530	38,401	219,555		
Provincial Income Tax (\$000)																				
Net Operating Revenue	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357	
- Regular CCA	0	0	0	153,239	107,669	50,101	10,357	12,033	13,375	14,469	15,378	16,151	16,822	17,420	17,965	18,471	16,377	12,283	492,109	
- Accelerated CCA	0	0	0	45,116	139,003	125,602	0	0	0	0	0	0	0	0	0	0	0	0	309,721	
= Resource Profits	0	0	0	29,319	24,255	140,119	271,517	234,408	196,102	156,469	202,562	250,605	300,613	213,860	265,118	318,394	229,060	288,127	3,120,527	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Resource royalties	0	0	0	1,504	1,550	1,597	1,645	1,694	11,481	15,027	20,528	26,244	22,668	11,991	27,759	34,058	25,509	32,106	235,363	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- CEE	0	0	0	0	0	121,143	258,047	226,678	184,622	10,457	0	79,265	80,850	0	0	0	0	0	961,062	
- Interest Expense	0	0	0	27,815	22,705	17,378	11,825	6,035	0	0	0	0	0	0	0	0	0	0	85,758	
= Net Profit	0	0	0	0	0	0	0	0	0	130,984	182,034	224,361	198,680	121,018	237,360	284,335	203,550	256,021	1,838,343	
- Prior Years' Losses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	0	0	0	0	0	0	130,984	182,034	224,361	198,680	121,018	237,360	284,335	203,550	256,021	1,838,343	
Provincial Income Tax	0	0	0	0	0	0	0	0	0	15,587	21,662	26,699	23,643	14,401	28,246	33,836	24,222	30,466	218,763	
Provincial Capital Tax (\$000)																				
Taxable Capital	111,323	244,451	383,718	447,895	517,980	619,741	692,700	733,916	745,038	713,787	697,159	674,020								
Capital Tax	664	1,278	1,875	1,609	1,499	1,794	2,006	2,125	2,158	2,067	2,019	1,952	0	0	0	0	0	0	0	21,047
Provincial Mining Duty (\$000)																				
Net Operating Revenue	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357	
- Depreciation Allowance	0	0	0	0	16,212	277,793	172,315	134,309	86,811	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	0	
- Refundable Exploration Credit	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Exploration & Development Allowance	0	0	0	191,864	217,808	0	70,385	71,793	0	0	0	79,265	80,850	0	0	0	0	0	711,966	
= Profit before proc all	0	0	0	35,809	36,908	38,029	39,173	40,339	122,667	153,011	199,656	248,105	219,146	131,026	263,291	316,677	245,437	300,410	2,389,683	
- Processing Allowance	0	0	0	23,276	23,990	24,719	25,462	26,220	26,994	27,782	28,587	29,408	30,245	31,098	31,969	32,858	32,858	32,858	428,324	
= Taxable Income	0	0	0	12,533	12,918	13,310	13,710	14,119	95,673	125,229	171,069	218,697	188,902	99,927	231,321	283,819	212,579	267,552	1,961,359	
Provincial Mining Duty	0	0	0	1,504	1,550	1,597	1,645	1,694	11,481	15,027	20,528	26,244	22,668	11,991	27,759	34,058	25,509	32,106	235,363	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Development Expense	0	100,000	122,400	187,272	0	0	70,385	71,793	0	0	0	79,265	80,850	0	0	0	0	0	711,966	
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	820,709	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	3,640	11,959	21,937	27,815	22,705	17,378	11,825	6,035	0	0	0	0	0	0	0	0	0	0	123,295	
- Fed. Income Tax	0	0	0	0	0	0	0	0	0	0	4,400	33,644	21,868	11,251	36,812	42,647	30,530	38,401	219,555	
- Provincial Income Tax	0	0	0	0	0	0	0	0	0	15,587	21,662	26,699	23,643	14,401	28,246	33,836	24,222	30,466	218,763	
- Provincial Capital Tax	0	664	1,278	1,875	1,609	1,499	1,794	2,006	2,125	2,158	2,067	2,019	1,952	0	0	0	0	0	21,047	
- Provincial Mining Tax	0	0	0	1,504	1,550	1,597	1,645	1,694	11,481	15,027	20,528	26,244	22,668	11,991	27,759	34,058	25,509	32,106	235,363	
= Net Cash Flow from Operations, After Tax	-345,554	-436,537	-485,490	180,827	228,937	278,491	179,120	147,562	178,264	120,330	151,046	159,566	150,967	93,382	170,474	206,135	165,174	199,436	1,342,131	

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	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 10%IRR (NWT), After Tax																				
New Brunswick																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357	
- Normal CCA	0	0	0	0	0	128,458	116,347	67,077	26,496	13,179	13,936	14,585	15,154	15,666	16,135	16,575	14,420	12,329	470,358	
- Accelerated CCA	0	0	0	0	0	0	96,005	110,825	42,661	0	0	0	0	0	0	0	0	0	249,492	
= Resource Profits	0	0	0	227,673	270,928	187,364	69,521	68,539	140,320	157,759	204,004	252,170	302,281	215,615	266,948	320,290	231,016	288,080	3,202,507	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Mining Royalty Deduction	0	0	0	1,945	1,945	9,862	9,224	8,558	7,861	9,248	31,111	40,403	44,892	26,570	38,661	50,114	36,509	47,950	364,852	
- CEE	0	0	0	0	0	0	0	0	120,510	136,560	160,704	199,333	189,945	72,924	-8,085	0	0	0	871,891	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	27,778	22,675	17,355	11,809	6,027	232	0	0	0	0	0	0	0	0	0	85,878	
= Net Profit	0	0	0	197,950	246,308	160,147	48,488	53,953	11,717	11,951	12,190	12,434	67,445	116,121	236,372	270,176	194,507	240,130	1,879,887	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	197,950	246,308	160,147	48,488	53,953	11,717	11,951	12,190	12,434	67,445	116,121	236,372	270,176	194,507	240,130	1,879,887	
Basic Federal Income Tax	0	0	0	55,426	65,272	41,638	12,122	12,679	2,578	2,629	2,682	2,735	14,838	25,547	52,002	59,439	42,792	52,829	445,206	
Federal Income Surtax	0	0	0	2,217	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,217	
- Resource Income Tax Reduction	0	0	0	13,856	17,242	11,210	3,394	3,777	820	837	853	870	4,721	8,128	16,546	18,912	13,615	16,809	131,592	
- Atlantic ITC	0	0	0	43,786	18,132	1,656	1,689	1,723	1,757	1,793	1,828	1,865	1,902	1,940	1,979	2,019	0	0	82,071	
- Exploration Expense ITC	0	0	0	29,898	28,772	7,039	7,179	0	0	0	0	0	7,927	8,085	0	0	0	0	88,900	
Federal Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	288	7,393	33,477	38,508	29,176	36,020	144,860	
Provincial Income Tax (\$000)																				
Taxable Income (from Federal Calc'n)	0	0	0	197,950	246,308	160,147	48,488	53,953	11,717	11,951	12,190	12,434	67,445	116,121	236,372	270,176	194,507	240,130	1,879,887	
Provincial Income Tax	0	0	0	23,754	29,557	19,218	5,819	6,474	1,406	1,434	1,463	1,492	8,093	13,934	28,365	32,421	23,341	28,816	225,586	
Provincial Capital Tax (\$000)																				
Taxable Capital	161,989	361,692	570,619	643,007	718,993	845,968	944,032	994,650												
Provincial Mining Tax (\$000)																				
Metallic Minerals Royalty																				
Mine Revenue (net of transportation, smelting and further processing costs)	0	0	0	379,426	425,716	473,705	442,915	410,703	377,025	341,836	392,257	444,558	498,794	416,266	471,768	529,324	441,745	500,644	6,546,681	
- Milling costs	0	0	0	53,113	54,176	55,259	56,364	57,492	58,642	59,814	61,011	62,231	63,476	64,745	66,040	67,361	68,708	70,082	918,513	
- Processing allowance	0	0	0	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	338,633	
= Net Revenue	0	0	0	303,737	348,964	395,871	363,975	330,635	295,808	259,446	308,671	359,751	412,743	328,946	383,153	439,388	350,461	407,987	5,289,535	
Metallic minerals royalty	0	0	0	0	0	7,917	7,279	6,613	5,916	5,189	6,173	7,195	8,255	6,579	7,663	8,788	7,009	8,160	92,737	
Mining Tax																				
Net Operating Revenue	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357	
- Exploration Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Depreciation Allowance	0	0	0	121,665	177,849	232,066	208,449	181,045	155,840	112,372	28,735	25,374	49,676	66,534	50,955	40,700	27,135	18,091	1,496,487	
- Financing Allowance	0	0	0	71,276	58,347	41,107	31,413	24,051	12,990	5,434	4,598	4,060	7,949	10,647	8,154	6,513	4,342	2,895	293,777	
- Provincial royalties, rental and charges	0	0	0	0	0	7,917	7,279	6,613	5,916	5,189	6,173	7,195	8,255	6,579	7,663	8,788	7,009	8,160	92,737	
- 3rd party royalty, not to the province	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Profit before proc all	0	0	0	34,732	34,732	34,732	34,732	34,732	34,732	34,732	47,943	178,434	230,126	251,555	147,520	216,311	280,864	206,950	2,039,357	
- Processing Allowance	0	0	0	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	22,576	338,633	
= Taxable Income for Mining Tax	0	0	0	12,156	12,156	12,156	12,156	12,156	12,156	12,156	25,367	155,859	207,551	228,979	124,945	193,735	258,288	184,375	1,700,724	
Mining tax	0	0	0	1,945	1,945	1,945	1,945	1,945	1,945	4,059	24,937	33,208	36,637	19,991	30,998	41,326	29,500	39,790	272,116	
Provincial Mining Tax	0	0	0	1,945	1,945	9,862	9,224	8,558	7,861	9,248	31,111	40,403	44,892	26,570	38,661	50,114	36,509	47,950	364,852	
Royalty Holder Mining Tax (\$000)																				
Royalty income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Mining tax on royalty income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

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June 12, 2008

	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 10%IRR (NWT), After Tax																				
New Brunswick																				
Cash Flow from Operations (\$000)																				Total
Net operating revenue		0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530
- Development Expense	0	100,000	122,400	187,272	0	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	711,966
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	820,709
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Interest expense		3,636	11,947	21,911	27,778	22,675	17,355	11,809	6,027	232	0	0	0	0	0	0	0	0	0	123,373
- Fed. Income Tax		0	0	0	0	0	0	0	0	0	0	0	0	288	7,393	33,477	38,508	29,176	36,020	144,860
- Provincial Income Tax		0	0	0	23,754	29,557	19,218	5,819	6,474	1,406	1,434	1,463	1,492	8,093	13,934	28,365	32,421	23,341	28,816	225,586
- Provincial Capital Tax		486	1,085	1,427	1,286	719	0	0	0	0	0	0	0	0	0	0	0	0	0	5,003
- Provincial Mining Tax		0	0	0	1,945	1,945	9,862	9,224	8,558	7,861	9,248	31,111	40,403	44,892	26,570	38,661	50,114	36,509	47,950	364,852
= Net Cash Flow from Operations, After Tax		-345,372	-436,332	-485,015	156,992	199,795	252,825	167,744	136,358	182,403	142,330	167,082	206,209	165,874	83,129	162,789	195,634	156,410	187,625	1,296,479

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June 12, 2008

	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 10%IRR (NWT), After Tax																				
Nova Scotia																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357	
- Normal CCA	0	0	0	0	0	115,539	119,576	70,214	29,547	13,179	13,936	14,585	15,154	15,666	16,135	16,575	14,420	12,329	466,858	
- Accelerated CCA	0	0	0	0	0	0	93,143	108,032	51,816	0	0	0	0	0	0	0	0	0	252,990	
= Resource Profits	0	0	0	227,673	270,928	200,283	69,154	68,194	128,115	157,759	204,004	252,170	302,281	215,615	266,948	320,290	231,016	288,080	3,202,509	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Mining Royalty Deduction	0	0	0	7,589	8,514	9,474	8,858	8,214	8,643	7,619	17,983	27,609	33,239	18,847	29,211	39,075	27,527	37,290	289,693	
- CEE	0	0	0	0	0	0	0	0	107,517	138,189	173,831	212,128	175,385	72,924	-8,085	0	0	0	871,889	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	27,776	22,673	17,354	11,808	6,027	238	0	0	0	0	0	0	0	0	0	85,877	
= Net Profit	0	0	0	192,308	239,740	173,455	48,488	53,953	11,717	11,951	12,190	12,434	93,656	123,843	245,822	281,215	203,489	250,790	1,955,051	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	192,308	239,740	173,455	48,488	53,953	11,717	11,951	12,190	12,434	93,656	123,843	245,822	281,215	203,489	250,790	1,955,051	
Basic Federal Income Tax	0	0	0	53,846	63,531	45,098	12,122	12,679	2,578	2,629	2,682	2,735	20,604	27,246	54,081	61,867	44,768	55,174	461,640	
Federal Income Surtax	0	0	0	2,154	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,154	
- Resource Income Tax Reduction	0	0	0	13,462	16,782	12,142	3,394	3,777	820	837	853	870	6,556	8,669	17,208	19,685	14,244	17,555	136,854	
- Atlantic ITC	0	0	0	42,539	19,379	1,656	1,689	1,723	1,757	1,793	1,828	1,865	1,902	1,940	1,979	2,019	0	0	82,071	
- Exploration Expense ITC	0	0	0	27,370	31,300	7,039	7,179	0	0	0	0	7,927	8,085	0	0	0	0	0	88,900	
Federal Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	4,220	8,551	34,894	40,163	30,523	37,619	155,970	
Provincial Income Tax (\$000)																				
Taxable Income (from Federal Calc'n)	0	0	0	192,308	239,740	173,455	48,488	53,953	11,717	11,951	12,190	12,434	93,656	123,843	245,822	281,215	203,489	250,790	1,955,051	
Provincial Income Tax	0	0	0	23,077	28,769	20,815	5,819	6,474	1,406	1,434	1,463	1,492	11,239	14,861	29,499	33,746	24,419	30,095	234,606	
Provincial Capital Tax (\$000)																				
Taxable Capital	166,989	366,692	575,622	642,883	712,383	836,896	934,392	984,862												
Capital Tax	501	1,008	1,439	1,446	1,425	1,255	934	492												8,502
Provincial Mining Tax (\$000)																				
Net Revenue Royalty																				
Mine Revenue (net of transportation, smelting and further processing costs)	0	0	0	379,426	425,716	473,705	442,915	410,703	377,025	341,836	392,257	444,558	498,794	416,266	471,768	529,324	441,745	500,644	6,546,681	
Net revenue royalty	0	0	0	7,589	8,514	9,474	8,858	8,214	7,541	6,837	7,845	8,891	9,976	8,325	9,435	10,586	8,835	10,013	130,934	
Mining Tax																				
Net Operating Revenue	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357	
- Exploration expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Depreciation Allowance	0	0	0	184,259	227,513	272,407	203,412	169,096	123,639	91,926	69,833	54,479	67,622	77,411	60,126	48,144	33,701	23,591	1,707,159	
= Profit before proc all	0	0	0	43,414	43,414	43,414	78,461	77,345	85,838	79,012	148,107	212,277	249,814	153,869	222,957	288,720	211,735	276,819	2,215,198	
- Processing Allowance	0	0	0	28,219	28,219	28,219	28,219	28,219	28,219	28,219	28,219	28,219	28,219	28,219	28,219	28,219	28,219	28,219	423,291	
= Taxable Income for Mining Tax	0	0	0	15,195	15,195	15,195	50,242	49,126	57,619	50,793	119,888	184,057	221,594	125,649	194,738	260,501	183,516	248,600	1,791,907	
Mining tax	0	0	0	2,279	2,279	2,279	7,536	7,369	8,643	7,619	17,983	27,609	33,239	18,847	29,211	39,075	27,527	37,290	268,786	
Provincial Mining Tax	0	0	0	7,589	8,514	9,474	8,858	8,214	8,643	7,619	17,983	27,609	33,239	18,847	29,211	39,075	27,527	37,290	289,693	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Development Expense	0	100,000	122,400	187,272	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	711,966	
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	820,709	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve																				
- Interest expense	3,636	11,946	21,909	27,776	22,673	17,354	11,808	6,027	238	0	0	0	0	0	0	0	0	0	123,368	
- Fed. Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	4,220	8,551	34,894	40,163	30,523	37,619	155,970	
- Provincial Income Tax	0	0	0	23,077	28,769	20,815	5,819	6,474	1,406	1,434	1,463	1,492	11,239	14,861	29,499	33,746	24,419	30,095	234,606	
- Provincial Capital Tax	501	1,008	1,439	1,446	1,425	1,255	934	492	0	0	0	0	0	0	0	0	0	0	8,502	
- Provincial Mining Tax	0	0	0	7,589	8,514	9,474	8,858	8,214	8,643	7,619	17,983	27,609	33,239	18,847	29,211	39,075	27,527	37,290	289,693	
= Net Cash Flow from Operations, After Tax	-345,387	-436,255	-485,026	151,867	193,310	250,363	167,176	136,210	181,616	143,958	180,210	219,004	170,449	88,766	169,687	203,692	162,967	195,406	1,348,014	

	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 10%IRR (NWT), After Tax																				
Newfoundland & Labrador																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357	
- Normal CCA	0	0	0	0	0	136,347	114,356	66,898	29,275	13,179	13,936	14,585	15,154	15,666	16,135	16,575	14,420	12,329	478,856	
- Accelerated CCA	0	0	0	0	0	0	90,749	99,173	50,997	0	0	0	0	0	0	0	0	0	240,919	
= Resource Profits	0	0	0	227,673	270,928	179,475	76,768	80,370	129,206	157,759	204,004	252,170	302,281	215,615	266,948	320,290	231,016	288,080	3,202,582	
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Mining Royalty Deduction	0	0	0	2,005	2,067	2,130	16,528	20,419	15,660	10,011	17,862	25,862	31,716	17,381	25,644	34,178	19,998	29,534	270,994	
- CEE	0	0	0	0	0	0	0	0	101,077	135,797	173,952	213,874	182,272	72,924	-8,085	0	0	0	871,811	
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest Expense	0	0	0	27,644	22,566	17,272	11,752	5,998	752	0	0	0	0	0	0	0	0	0	85,984	
= Net Profit	0	0	0	198,023	246,295	160,074	48,488	53,953	11,717	11,951	12,190	12,434	88,293	125,310	249,388	286,112	211,018	258,546	1,973,792	
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income	0	0	0	198,023	246,295	160,074	48,488	53,953	11,717	11,951	12,190	12,434	88,293	125,310	249,388	286,112	211,018	258,546	1,973,792	
Basic Federal Income Tax	0	0	0	55,447	65,268	41,619	12,122	12,679	2,578	2,629	2,682	2,735	19,424	27,568	54,865	62,945	46,424	56,880	465,866	
Federal Income Surtax	0	0	0	2,218	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,218	
- Resource Income Tax Reduction	0	0	0	13,862	17,241	11,205	3,394	3,777	820	837	853	870	6,180	8,772	17,457	20,028	14,771	18,098	138,165	
- Atlantic ITC	0	0	0	43,803	18,115	1,656	1,689	1,723	1,757	1,793	1,828	1,865	1,902	1,940	1,979	2,019	0	0	82,071	
- Exploration Expense ITC	0	0	0	0	29,912	28,758	7,039	7,179	0	0	0	0	7,927	8,085	0	0	0	0	88,900	
Federal Income Tax	0	0	0	0	0	0	0	0	-	0	0	0	3,415	8,771	35,429	40,898	31,653	38,782	158,948	
Provincial Income Tax (\$000)																				
Taxable Income (from Federal Calc'n)	0	0	0	198,023	246,295	160,074	48,488	53,953	11,717	11,951	12,190	12,434	88,293	125,310	249,388	286,112	211,018	258,546	1,973,792	
Provincial Income Tax	0	0	0	27,723	34,481	22,410	6,788	7,553	1,640	1,673	1,707	1,741	12,361	17,543	34,914	40,056	29,543	36,196	276,331	
Provincial Mining Tax (\$000)																				
Net Operating Revenue	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357	
- Exploration Allowance	0	0	0	0	0	170,278	59,252	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Depreciation Allowance	0	0	0	164,552	206,708	80,204	48,181	40,401	34,651	30,426	27,346	25,126	23,554	22,469	21,751	21,311	18,507	13,880	779,069	
- Preproduction Allowance	0	0	0	27,311	27,311	27,311	33,177	39,704	39,704	39,704	39,704	39,704	52,914	69,084	69,084	69,084	69,084	69,084	0	
- Provincial royalties, rental and charges	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Profit before proc all	0	0	0	35,809	36,908	38,029	141,263	166,336	135,123	100,808	150,891	201,925	240,967	139,727	192,247	246,469	157,845	217,445	2,201,793	
- Processing Allowance	0	0	0	23,276	23,990	24,719	25,462	26,220	26,994	27,782	28,587	29,408	30,245	31,098	31,969	32,858	32,858	32,858	428,324	
= Net Income	0	0	0	12,533	12,918	13,310	115,801	140,116	108,129	73,026	122,304	172,518	210,722	108,628	160,278	213,612	124,988	184,588	1,773,469	
- 3rd party royalty, not to the province, or	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- 20% of net income for mining tax	0	0	0	2,507	2,584	2,662	23,160	28,023	21,626	14,605	24,461	34,504	42,144	21,726	32,056	42,722	24,998	36,918	354,694	
= Taxable Income for Pt (a) Mining Tax	0	0	0	10,027	10,334	10,648	92,641	112,093	86,503	58,420	97,843	138,014	168,578	86,903	128,222	170,889	99,990	147,670	1,418,775	
Pt (a) base mining tax	0	0	0	1,504	1,550	1,597	13,896	16,814	12,975	8,763	14,676	20,702	25,287	13,035	19,233	25,633	14,999	22,151	212,816	
- Prov. corp income tax (for credit)	0	0	0	0	0	0	6,788	7,553	1,640	1,673	1,707	1,741	12,361	0	0	0	0	0	0	
- Prov. Income tax credit (max \$2000)	0	0	0	0	0	0	2,000	1,640	1,673	1,707	1,741	2,000	0	0	0	0	0	0	12,761	
Pt (a) mining tax	0	0	0	1,504	1,550	1,597	11,896	14,814	11,335	7,090	12,970	18,961	23,287	13,035	19,233	25,633	14,999	22,151	200,056	
Net income base for Pt (b) mining tax	0	0	0	2,507	2,584	2,662	23,160	28,023	21,626	14,605	24,461	34,504	42,144	21,726	32,056	42,722	24,998	36,918	354,694	
- 3rd party royalty, not to the province	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable income for mineral rights tax	0	0	0	2,507	2,584	2,662	23,160	28,023	21,626	14,605	24,461	34,504	42,144	21,726	32,056	42,722	24,998	36,918	354,694	
Pt (b) mining tax	0	0	0	501	517	532	4,632	5,605	4,325	2,921	4,892	6,901	8,429	4,345	6,411	8,544	5,000	7,384	70,939	
Provincial Mining Tax	0	0	0	2,005	2,067	2,130	16,528	20,419	15,660	10,011	17,862	25,862	31,716	17,381	25,644	34,178	19,998	29,534	270,994	
(Royalty Holder) Mineral Rights Tax (\$000)																				
Royalty income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
#DIV/0!	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable income for mineral rights tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Provincial Mineral Rights Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Development Expense	0	100,000	122,400	187,272	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	711,966	
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	820,709	
Environmental reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	752	0	0	0	0	0	0	0	0	0	123,325	
- Fed. Income Tax	0	0	0	0	0	0	0	0	-	0	0	0	3,415	8,771	35,429	40,898	31,653	38,782	158,948	
- Provincial Income Tax	0	0	0	27,723	34,481	22,410	6,788	7,553	1,640	1,673	1,707	1,741	12,361	17,543	34,914	40,056	29,543	36,196	276,331	
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Mining Tax	0	0	0	2,005	2,067	2,130	16,528	20,419	15,660	10,011	17,862	25,862	31,716	17,381	25,644	34,178	19,998	29,534	270,994	
= Net Cash Flow from Operations, After Tax	-344,876	-435,203	-483,489	154,382	195,577	257,449	159,527	123,447	173,850	141,327	180,087	220,502	171,655	87,331	16					

Appendix 6c - Diamond10.xls

June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 10%IRR (NWT), After Tax																				
Yukon																				
Proposed Royalty, 12% maximum rate + Modernization, March 2008 Discussion Paper																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357
- Normal CCA	0	0	0	0	0	148,293	124,323	58,848	12,243	13,533	14,587	15,467	16,217	16,872	17,458	17,993	18,492	16,393	12,294	503,012
- Accelerated CCA	0	0	0	0	0	0	154,306	144,634	0	0	0	0	0	0	0	0	0	0	0	298,939
= Resource Profits	0	0	0	0	227,673	122,635	37,193	78,392	234,198	195,945	156,351	202,474	250,538	300,563	213,823	265,090	318,373	229,044	288,115	3,120,406
- Resource Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Territorial Mining Royalty Deduction	0	0	0	0	9,934	14,832	19,921	7,097	2,401	6,230	4,900	17,544	23,360	19,887	9,315	25,190	31,599	20,952	27,880	241,041
- CEE	0	0	0	0	0	0	20,439	182,288	189,715	151,451	183,814	0	79,265	72,924	-8,085	0	0	0	0	871,811
- CDE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest Expense	0	0	0	0	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	85,232
= Net Profit	0	0	0	0	190,095	85,237	0	39,103	43,511	0	0	1,116	227,178	201,411	131,584	247,985	286,774	208,092	260,235	1,922,321
- Losses Carried Forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Taxable Income	0	0	0	0	190,095	85,237	0	39,103	43,511	0	0	1,116	227,178	201,411	131,584	247,985	286,774	208,092	260,235	1,922,321
Basic Federal Income Tax	0	0	0	0	53,227	22,588	0	9,776	10,225	0	0	246	49,979	44,310	28,948	54,557	63,090	45,780	57,252	439,978
Federal Income Surtax	0	0	0	0	2,129	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,129
- Resource Income Tax Reduction	0	0	0	0	13,307	5,967	0	2,737	3,046	0	0	78	15,902	14,099	9,211	17,359	20,074	14,566	18,216	134,562
- Atlantic ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense ITC	0	0	0	0	42,049	16,621	0	7,039	7,179	0	0	0	7,927	8,085	0	0	0	0	0	88,900
Federal Income Tax	0	0	0	0	0	0	0	0	0	0	0	167	34,077	22,285	11,652	37,198	43,016	31,214	39,035	218,645
Territorial Income Tax (\$000)																				
Taxable Income (from Federal Calc'n)	0	0	0	0	190,095	85,237	0	39,103	43,511	0	0	1,116	227,178	201,411	131,584	247,985	286,774	208,092	260,235	1,922,321
Territorial Income Tax	0	0	0	0	28,514	12,786	0	5,865	6,527	0	0	167	34,077	30,212	19,738	37,198	43,016	31,214	39,035	288,348
Quartz Mining Act Royalty (\$000)																				
Gross value of metal sales	0	0	0	0	379,426	425,716	473,705	442,915	410,703	377,025	341,836	392,257	444,558	498,794	416,266	471,768	529,324	441,745	500,644	6,546,681
- Post-site product transport costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Smelter & refinery charges	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Net revenue for royalty	0	0	0	0	379,426	425,716	473,705	442,915	410,703	377,025	341,836	392,257	444,558	498,794	416,266	471,768	529,324	441,745	500,644	6,546,681
- Operating costs	0	0	0	0	151,753	154,788	157,884	161,041	164,262	167,547	170,898	174,316	177,803	181,359	184,986	188,685	192,459	196,308	200,235	2,624,323
- Current exploration costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Current mine development costs	0	0	0	0	0	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	302,294
- Pre-production Development Allowance	0	0	0	0	42,613	42,613	42,613	42,613	42,613	42,613	42,613	42,613	42,613	42,613	42,613	42,613	42,613	42,613	42,613	639,202
- Depreciation Allowance	0	0	0	0	90,442	92,877	95,361	97,895	100,480	103,116	75,658	17,294	17,640	17,993	18,353	18,720	19,094	16,387	13,626	794,935
- Community Ec Development Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Net Income for Royalty	0	0	0	0	94,618	135,437	177,847	70,980	31,555	63,748	52,667	158,033	206,502	177,564	89,464	221,750	275,157	186,436	244,170	2,185,927
Territorial Mining Royalty	0	0	0	0	9,934	14,832	19,921	7,097	2,401	6,230	4,900	17,544	23,360	19,887	9,315	25,190	31,599	20,952	27,880	241,041
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530
- Development Expense	0	100,000	122,400	187,272	0	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	711,966
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	820,709
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Interest expense	3,626	11,903		21,812	27,644	22,566	17,272	11,752	5,998	0	0	0	0	0	0	0	0	0	0	122,573
- Fed. Income Tax	0	0	0	0	0	0	0	0	0	0	0	167	34,077	22,285	11,652	37,198	43,016	31,214	39,035	218,645
- Territorial Income Tax	0	0	0	0	28,514	12,786	0	5,865	6,527	0	0	167	34,077	30,212	19,738	37,198	43,016	31,214	39,035	288,348
- Provincial Capital Tax																				
- Territorial Mining Tax	0	0	0	0	9,934	14,832	19,921	7,097	2,401	6,230	4,900	17,544	23,360	19,887	9,315	25,190	31,599	20,952	27,880	241,041
= Net Cash Flow from Operations, After Tax	-344,876	-435,203	-483,489	145,662	204,508	262,068	169,881	142,492	185,673	148,112	181,777	156,591	146,762	90,320	163,705	199,046	162,057	194,459	1,289,545	

Appendix 6c - Diamond10.xls

June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 10%IRR (NWT), After Tax																				
Western Australia																				
Australia Federal Corporate Income Tax + Western Australia Diamond Royalty																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357	
- Depreciation	49,875	102,233	130,475	96,108	72,147	55,471	43,897	35,897	30,401	26,658	24,146	29,997	25,608	34,689	25,751	37,355	0	0	0	820,709
- Exploration Expenses	0	0	0	229,530	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Allowable Capital expenditures	0	0	0	40,967	36,870	33,183	36,904	40,393	36,353	36,353	36,353	36,353	49,564	65,734	65,734	65,734	65,734	65,734	65,734	711,966
- Interest	0	0	0	64,985	22,566	17,272	11,752	5,998	872	0	0	0	0	0	0	0	0	0	0	123,446
- Investment Allowance	0	0	0	60,294	1,624	1,656	1,689	1,723	1,757	1,793	1,828	1,865	1,902	1,940	1,979	2,019	0	0	0	82,071
- State Mining Royalty	0	0	0	28,457	31,929	35,528	33,219	30,803	28,277	25,638	29,419	36,887	45,384	31,220	35,383	43,309	33,131	37,548	506,130	0
- R&D	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Net Profit	-49,875	-102,233	-130,475	-292,669	105,793	172,712	154,412	131,627	111,817	80,496	126,193	161,653	194,977	97,697	154,236	188,448	146,571	197,127	1,448,506	
- Losses Carried Forward	0	0	0	0	105,793	172,712	154,412	131,627	10,709	0	0	0	0	0	0	0	0	0	0	575,252
= Taxable Income	0	0	0	0	0	0	0	0	101,108	80,496	126,193	161,653	194,977	97,697	154,236	188,448	146,571	197,127	1,448,506	
Federal Income Tax	0	0	0	0	0	0	0	0	30,333	24,149	37,858	48,496	58,493	29,309	46,271	56,534	43,971	59,138	434,552	
State Diamond Royalty (\$000)																				
Net Sales (sales - post-site charges)	0	0	0	379,426	425,716	473,705	442,915	410,703	377,025	341,836	392,257	444,558	498,794	416,266	471,768	529,324	441,745	500,644	6,546,681	
Tier I Ad Valorem Minimum Royalty	0	0	0	28,457	31,929	35,528	33,219	30,803	28,277	25,638	29,419	33,342	37,410	31,220	35,383	39,699	33,131	37,548	491,001	
Net Operating Revenue	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357	
- Depreciation on Allowable Capital Expenses	53,250	111,960	166,298	136,222	112,225	93,092	91,929	91,348	76,593	64,860	55,545	48,166	48,492	68,543	73,491	80,220	80,220	80,220	1,532,674	
- Exploration Expenses	0	0	0	229,530	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530
- Interest	0	0	0	64,985	22,566	17,272	11,752	5,998	872	0	0	0	0	0	0	0	0	0	0	123,446
- R&D	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Net Profit	-53,250	-111,960	-166,298	-203,064	136,137	205,458	178,192	149,094	132,012	106,078	162,396	218,589	268,943	162,737	209,592	256,644	165,216	220,189	2,036,707	
- Losses Carried Forward	0	0	0	0	136,137	205,458	178,192	14,784	0	0	0	0	0	0	0	0	0	0	0	534,571
= Above-zero Profit	0	0	0	0	0	0	0	134,311	132,012	106,078	162,396	218,589	268,943	162,737	209,592	256,644	165,216	220,189	2,036,707	
Base Net Profits Royalty	0	0	0	0	0	0	0	30,220	29,703	23,868	36,539	49,183	60,512	36,616	47,158	57,745	37,174	49,543	458,259	
- Past Ad Valorem Royalty Offset	0	0	0	0	0	0	0	0	1,426	0	7,120	12,296	15,128	5,396	11,776	14,436	4,043	11,994	83,614	
Tier II Net Profits Royalty	0	0	0	0	0	0	0	30,220	28,277	23,868	29,419	36,887	45,384	31,220	35,383	43,309	33,131	37,548	374,645	
Royalty	0	0	0	28,457	31,929	35,528	33,219	30,803	28,277	25,638	29,419	36,887	45,384	31,220	35,383	43,309	33,131	37,548	506,130	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530
- Development Expense	0	100,000	122,400	187,272	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	0	711,966
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	820,709
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Contribution to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest on	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Withdrawal from	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense	3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	872	0	0	0	0	0	0	0	0	0	0	123,446
- Fed. Income Tax	0	0	0	0	0	0	0	0	30,333	24,149	37,858	48,496	58,493	29,309	46,271	56,534	43,971	59,138	434,552	
- Provincial Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- State Mining Royalty	0	0	0	28,457	31,929	35,528	33,219	30,803	28,277	25,638	29,419	36,887	45,384	31,220	35,383	43,309	33,131	37,548	506,130	
= Net Cash Flow from Operations, After Tax	-344,876	-435,203	-483,489	155,654	200,197	246,461	149,625	120,616	132,421	103,225	132,378	162,722	115,269	70,497	181,637	216,834	168,334	203,723	1,096,025	

Appendix 6c - Diamond10.xls

June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 10%IRR (NWT), After Tax																				
South Australia																				
Australia Federal Corporate Income Tax + South Australia Base Metal Royalty																				
Federal Income Tax (\$000)																				
Net Operating Revenue		0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357
- Depreciation		49,875	102,233	130,475	96,108	72,147	55,471	43,897	35,897	30,401	26,658	24,146	29,997	25,608	34,689	25,751	37,355	0	0	820,709
- Exploration Expenses		0	0	0	229,530	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Allowable Capital expenditures		0	0	0	40,967	36,870	33,183	36,904	40,393	36,353	36,353	36,353	36,353	49,564	65,734	65,734	65,734	65,734	65,734	711,966
- Interest		0	0	0	64,985	22,566	17,272	11,752	5,998	1,564	0	0	0	0	0	0	0	0	0	124,138
- Investment Allowance		0	0	0	60,294	1,624	1,656	1,689	1,723	1,757	1,793	1,828	1,865	1,902	1,940	1,979	2,019	0	0	82,071
- State Mining Royalty		0	0	0	5,691	6,386	7,106	6,644	14,375	13,196	11,964	13,729	15,560	17,458	14,569	16,512	18,526	15,461	17,523	194,699
- R&D		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Net Profit		-49,875	-102,233	-130,475	-269,903	131,335	201,134	180,987	148,055	126,206	94,169	141,884	182,981	222,903	114,347	173,106	213,230	164,241	217,153	1,759,246
- Losses Carried Forward		0	0	0	0	131,335	201,134	180,987	39,030	0	0	0	0	0	0	0	0	0	0	552,486
= Taxable Income		0	0	0	0	0	0	0	109,025	126,206	94,169	141,884	182,981	222,903	114,347	173,106	213,230	164,241	217,153	1,759,246
Federal Income Tax		0	0	0	0	0	0	0	32,707	37,862	28,251	42,565	54,894	66,871	34,304	51,932	63,969	49,272	65,146	527,774
State Royalty (\$000)																				
Mine Revenue (sales - post-site charges)		0	0	0	379,426	425,716	473,705	442,915	410,703	377,025	341,836	392,257	444,558	498,794	416,266	471,768	529,324	441,745	500,644	6,546,681
- prescribed costs	<i>already deducted for revenue value</i>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Proceeds for royalty		0	0	0	379,426	425,716	473,705	442,915	410,703	377,025	341,836	392,257	444,558	498,794	416,266	471,768	529,324	441,745	500,644	6,546,681
Royalty		0	0	0	5,691	6,386	7,106	6,644	0	0	0	0	0	0	0	0	0	0	0	25,826
at reduced rate for 1st 5 yr		0	0	0	0	0	0	0	14,375	13,196	11,964	13,729	15,560	17,458	14,569	16,512	18,526	15,461	17,523	168,872
on remainder		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Royalty		0	0	0	5,691	6,386	7,106	6,644	14,375	13,196	11,964	13,729	15,560	17,458	14,569	16,512	18,526	15,461	17,523	194,699
Cash Flow from Operations (\$000)																				
Net operating revenue		0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357
- Property Acquisition		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense		0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530
- Development Expense		0	100,000	122,400	187,272	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	711,966
- Capital Plant & Infrastructure		0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	820,709
- Working Capital (withdrawal is -ve)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense		3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	1,564	0	0	0	0	0	0	0	0	0	124,138
- Fed. Income Tax		0	0	0	0	0	0	0	32,707	37,862	28,251	42,565	54,894	66,871	34,304	51,932	63,969	49,272	65,146	527,774
- Provincial Income Tax		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Provincial Capital Tax		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- State Mining Royalty		0	0	0	5,691	6,386	7,106	6,644	14,375	13,196	11,964	13,729	15,560	17,458	14,569	16,512	18,526	15,461	17,523	194,699
= Net Cash Flow from Operations, After Tax		-344,876	-435,203	-483,489	178,419	225,740	274,884	176,200	104,337	139,281	112,796	143,362	177,651	134,818	82,152	194,847	234,181	180,703	217,741	1,313,543

Appendix 6c - Diamond10.xls

June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 10%IRR (NWT), After Tax Sweden																				
Federal Income Tax (\$000)																				
Net Operating Revenue		0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357
- Depreciation		49,875	102,233	130,475	96,108	72,147	55,471	43,897	35,897	30,401	26,658	24,146	29,997	25,608	34,689	25,751	37,355	0	0	820,709
- Exploration Expenses		0	0	0	229,530	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Allowable Capital expenditures		0	0	0	40,967	36,870	33,183	36,904	40,393	36,353	36,353	36,353	36,353	49,564	65,734	65,734	65,734	65,734	65,734	711,966
- Interest		0	0	0	64,985	22,566	17,272	11,752	5,998	1,323	0	0	0	0	0	0	0	0	0	123,897
- Investment Allowance		0	0	0	60,294	1,624	1,656	1,689	1,723	1,757	1,793	1,828	1,865	1,902	1,940	1,979	2,019	0	0	82,071
- State Mining Royalty		0	0	0	759	851	947	886	821	754	684	785	889	998	833	944	1,059	883	1,001	13,093
- R&D		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Net Profit		-49,875	-102,233	-130,475	-264,971	136,870	207,292	186,745	161,608	138,889	105,450	154,828	197,651	239,364	128,084	188,675	230,698	178,819	233,674	1,941,092
- Losses Carried Forward		0	0	0	0	136,870	207,292	186,745	16,647	0	0	0	0	0	0	0	0	0	0	547,554
= Taxable Income		0	0	0	0	0	0	0	144,961	138,889	105,450	154,828	197,651	239,364	128,084	188,675	230,698	178,819	233,674	1,941,092
Federal Income Tax		0	0	0	0	0	0	0	40,589	38,889	29,526	43,352	55,342	67,022	35,864	52,829	64,595	50,069	65,429	543,506
Royalty (\$000)																				
Mine Revenue (sales - post-site charges)		0	0	0	379,426	425,716	473,705	442,915	410,703	377,025	341,836	392,257	444,558	498,794	416,266	471,768	529,324	441,745	500,644	6,546,681
- prescribed costs	<i>already deducted for revenue value</i>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Proceeds for royalty		0	0	0	379,426	425,716	473,705	442,915	410,703	377,025	341,836	392,257	444,558	498,794	416,266	471,768	529,324	441,745	500,644	6,546,681
Royalty		0	0	0	759	851	947	886	821	754	684	785	889	998	833	944	1,059	883	1,001	13,093
Cash Flow from Operations (\$000)																				
Net operating revenue		0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357
- Property Acquisition		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense		0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530
- Development Expense		0	100,000	122,400	187,272	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	711,966
- Capital Plant & Infrastructure		0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	820,709
- Working Capital (withdrawal is -ve)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Interest expense		3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	1,323	0	0	0	0	0	0	0	0	0	123,897
- Fed. Income Tax		0	0	0	0	0	0	0	40,589	38,889	29,526	43,352	55,342	67,022	35,864	52,829	64,595	50,069	65,429	543,506
- Fed. Large Corp. Tax		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Provincial Capital Tax		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- State Mining Royalty		0	0	0	759	851	947	886	821	754	684	785	889	998	833	944	1,059	883	1,001	13,093
= Net Cash Flow from Operations, After Tax		-344,876	-435,203	-483,489	183,352	231,274	281,042	181,958	110,009	150,937	122,802	155,519	191,873	151,127	94,330	209,518	251,023	194,484	233,980	1,479,657

Larger Scale Diamond Mine, 10%IRR (NWT), After Tax
USA, Alaska

Royalty: Alaska Mining License Tax and Production Royalty

Federal Income Tax (\$000)	initial	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total	
Net Revenue	0	0	0	0	379,426	425,716	473,705	442,915	410,703	377,025	341,836	392,257	444,558	498,794	416,266	471,768	529,324	441,745	500,644	6,546,681	
- Operating Costs	0	0	0	0	151,753	154,788	157,884	161,041	164,262	167,547	170,898	174,316	177,803	181,359	184,986	188,685	192,459	196,308	200,235	2,624,323	
Gross Income	0	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357	
Net assets for depreciation	0																			0	
New exploration/acquisition to be amortized	0	75,000	76,500	78,030	0															229,530	
Net exploration expense pool	0	60,000	106,200	138,324	92,418	46,512	15,606	0	0	0	0	0	0	0	0	0	0	0	0	459,060	
New development to be amortized	0	100,000	122,400	187,272	0	0	21,116	21,538	0	0	0	0	0	23,780	24,255	0	0	0	0	500,360	
Net development expense pool	0	80,000	157,920	263,258	181,323	99,389	37,454	16,892	29,900	21,369	12,838	4,308	-	19,024	33,672	24,065	14,458	4,851	0	1,000,720	
- Depreciation					4,549	12,437	18,254	22,595	25,890	29,248	32,676	34,749	35,444	36,153	36,876	37,614	38,366	33,248	23,827	412,928	
- Current exploration expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Amortized exploration expense		15,000	30,300	45,906	45,906	45,906	30,906	15,606	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Current development expense		0	0	0	0	0	0	49,270	50,255	0	0	0	0	55,486	56,595	0	0	0	0	211,605	
- Amortized development expense		20,000	44,480	81,934	81,934	81,934	61,934	41,678	8,531	8,531	8,531	8,531	4,308	4,756	9,607	9,607	9,607	9,607	4,851	500,360	
- Interest Expense		0	0	0	27,644	22,566	17,272	11,752	5,998	1,741	0	0	0	0	0	0	0	0	0	0	86,974
- State Income Tax		0	0	0	0	0	1,364	1,979	9,231	11,406	7,617	11,067	15,509	13,836	5,858	16,033	19,826	12,540	18,776	145,041	
- State Mining License Tax		0	0	0	0	0	0	6,352	10,027	7,579	5,044	7,421	9,964	12,018	6,571	9,049	11,561	7,063	10,532	103,179	
- State Royalty		0	0	0	4,873	5,674	6,548	5,444	4,297	3,248	2,162	3,180	4,270	5,150	2,816	3,878	4,955	3,027	4,514	64,037	
- Environmental Tax		0	0	0	0	0	53	66	110	121	83	136	197	218	130	198	246	165	237	1,959	
- Reclamation Reserve Deduction		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
+ Reclamation Reserve Income																				0	
Depletable gross income					222,800	265,254	309,274	276,429	242,143	206,230	168,776	214,760	262,485	312,285	228,464	279,205	331,910	242,409	295,896	3,858,320	
Net income before depletion					62,766	102,410	179,490	127,132	132,102	147,604	114,826	152,857	197,064	189,819	112,827	206,705	252,304	179,786	237,673	2,395,365	
Additions to depletable cost of property	0	241,250	300,900	274,406	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	1,050,239	
Unit cost of additions to depletable property	0																			0	
Depletable cost of property	0	241,250	542,150	816,556	832,474	848,710	865,271	882,164	899,394	916,969	934,895	953,180	971,831	990,854	1,010,259	1,030,051	1,050,239	1,050,239	1,050,239	724,017	
Unreduced cost depletion					34,346	39,359	44,785	42,874	40,757	38,404	35,785	42,266	49,405	57,323	49,595	58,468	68,570	57,225	64,855		
Net depletion pool					798,128	763,159	711,680	667,758	631,717	603,922	584,717	555,755	516,659	466,980	436,122	394,489	341,657	284,432	219,335		
Cost depletion	0	0	0	0	34,346	39,359	44,785	42,874	40,757	38,404	35,785	42,266	49,405	57,323	49,595	58,468	68,570	57,225	64,855	724,017	
% depletion					31,383	51,205	68,040	60,814	53,272	45,371	37,131	47,247	57,747	68,703	50,262	61,425	73,020	53,330	65,097		
- Depletion Allowance					34,346	51,205	68,040	60,814	53,272	45,371	37,131	47,247	57,747	68,703	50,262	61,425	73,020	57,225	65,097		
= Taxable income before sp. dedns		-35,000	-74,780	-127,840	28,421	51,205	111,450	66,318	78,830	102,234	77,695	105,609	139,318	121,116	62,565	145,280	179,284	122,561	172,576	1,326,841	
- Losses carried forward		0	0	0	28,421	51,205	111,450	46,545	0	0	0	0	0	0	0	0	0	0	0	237,620	
- Losses carried back																				0	
cumulative operating losses, prior years		35,000	109,780	237,620	209,200	157,995	46,545	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Taxable Income		0	0	0	0	0	0	19,773	78,830	102,234	77,695	105,609	139,318	121,116	62,565	145,280	179,284	122,561	172,576	1,326,841	
Regular Federal Income Tax		0	0	0	0	0	0	6,920	27,591	35,782	27,193	36,963	48,761	42,391	21,898	50,848	62,749	42,896	60,402	464,394	
Alternative Minimum Tax Calculation																					
Regular taxable income	0	0	0	0	0	0	0	19,773	78,830	102,234	77,695	105,609	139,318	121,116	62,565	145,280	179,284	122,561	172,576	1,326,841	
+ excess % depletion		0	0	0	11,847	23,255	17,940	12,515	6,966	1,346	4,981	8,342	11,379	668	2,957	4,450	0	0	242	106,887	
depreciation claimed above		0	0	0	4,549	12,437	18,254	22,595	25,890	29,248	32,676	34,749	35,444	36,153	36,876	37,614	38,366	33,248	23,827	421,928	
net assets for depreciation	0	249,375	585,975	880,538	775,174	574,558	431,703	330,116	257,911	183,794	107,544	65,334	26,583	71,031	72,451	73,900	75,378	76,886	51,950	34,079	
150% decl bal depreciation					129,241	224,972	167,697	126,926	98,050	100,480	103,139	65,334	26,583	27,115	27,657	28,210	28,774	24,936	17,870	1,196,984	
+ depreciation adjustment		0	0	0	-124,692	-212,535	-149,443	-104,330	-72,159	-71,232	-70,463	-30,585	8,861	9,038	9,219	9,403	9,591	8,312	5,957	-775,056	
current expl/mine dev claimed above	0	0	0	0	0	0	0	49,270	50,255	0	0	0	0	55,486	56,595	0	0	0	0	211,605	
net expl/mine dev for amortization	0	0	0	0	0	0	0	44,343	84,645	74,693	64,740	54,788	44,835	84,820	120,255	99,094	77,934	61,700	50,492	862,338	
current expl/mine dev amortized	0	0	0	0	0	0	0	4,927	9,952	9,952	9,952	9,952	15,501	21,161	21,161	21,161	16,234	11,208	161,114		
+ exploration/development adjustment		0	0	0	0	0	0	44,343	40,303	-9,952	-9,952	-9,952	-9,952	39,985	35,435	-21,161	-21,161	-16,234	-11,208	50,492	
AMTI before current earnings adjustment	0	0	0	-124,692	-200,688	-126,188	-22,275	59,488	28,015	-1,374	70,053	146,568	181,518	107,887	136,479	172,165	114,639	167,567	709,164		
+ adj current earnings adjustment		0	0	0	118,489	193,175	184,203	76,825	32,255	72,429	70,481	43,020	17,016	0	28,468	32,780	23,038	29,301	921,480		
AMTI before AMT/NOL adjustment	0	0	0	-6,203	-7,512	58,015	54,550	91,743	100,444	69,107	113,073	163,585	181,518	107,887	164,948	204,945	137,677	196,867	1,630,643		
- Losses carried forward		0	0	0	0	0	13,715	0	0	0	0	0	0	0	0	0	0	0	0	13,715	
cumulative operating losses, prior years		0	0	0	6,203	13,715	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Larger Scale Diamond Mine, 10%IRR (NWT), After Tax
USA, Alaska

Royalty: Alaska Mining License Tax and Production Royalty

Alternative minimum taxable income	0	0	0	-6,203	-7,512	44,300	54,550	91,743	100,444	69,107	113,073	163,585	181,518	107,887	164,948	204,945	137,677	196,867	1,616,928
Tentative alternative minimum tax	0	0	0	0	0	8,860	10,910	18,349	20,089	13,821	22,615	32,717	36,304	21,577	32,990	40,989	27,535	39,373	326,129
- AMT exemption amount	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Regular income tax	0	0	0	0	0	0	6,920	27,591	35,782	27,193	36,963	48,761	42,391	21,898	50,848	62,749	42,896	60,402	464,394
Alternative minimum tax	0	0	0	0	0	8,860	3,990	0	0	0	0	0	0	0	0	0	0	0	12,849
Environmental Tax																			
Alternative minimum taxable income	0	0	0	0	0	44,300	54,550	91,743	100,444	69,107	113,073	163,585	181,518	107,887	164,948	204,945	137,677	196,867	1,630,643
+ environmental tax deducted in calcs	0	0	0	0	0	53	66	110	121	83	136	197	218	130	198	246	165	237	1,959
- exemption	0	0	0	0	0	2	2	2	2	2	2	2	2	2	2	2	2	2	26
Environmental taxable income	0	0	0	0	0	44,351	54,613	91,851	100,563	69,188	113,207	163,779	181,734	108,014	165,144	205,189	137,841	197,102	1,632,576
Environmental tax	0	0	0	0	0	53	66	110	121	83	136	197	218	130	198	246	165	237	1,959
Federal Income Tax	0	0	0	0	0	8,913	10,976	27,701	35,903	27,276	37,099	48,958	42,609	22,027	51,046	62,996	43,062	60,638	479,203
Alaska Income Tax (\$000)																			
Gross Income	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357
- Depreciation	0	0	0	4,549	12,437	18,254	22,595	25,890	29,248	32,676	34,749	35,444	36,153	36,876	37,614	38,366	33,248	23,827	421,928
- Current exploration expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Amortized exploration expense	0	15,000	30,300	45,906	45,906	30,906	15,606	0	0	0	0	0	0	0	0	0	0	0	229,530
- Current development expense	0	0	0	0	0	0	49,270	50,255	0	0	0	0	55,486	56,595	0	0	0	0	211,605
- Amortized development expense	0	20,000	44,480	81,934	81,934	61,934	41,678	8,531	8,531	8,531	8,531	4,308	4,756	9,607	9,607	9,607	9,607	4,851	500,360
- Interest Expense	0	0	0	27,644	22,566	17,272	11,752	5,998	1,741	0	0	0	0	0	0	0	0	0	86,974
- State Income Tax	0	0	0	4,873	5,674	6,548	5,444	4,297	3,248	2,162	3,180	4,270	5,150	2,816	3,878	4,955	3,027	4,514	64,037
- Reclamation Reserve Deduction	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Reclamation Reserve Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Depletable gross income	0	0	0	222,800	265,254	309,274	276,429	242,143	206,230	168,776	214,760	262,485	312,285	228,464	279,205	331,910	242,409	295,896	3,858,320
Net income before depletion	0	0	0	62,766	102,410	180,908	135,528	151,469	166,710	127,570	171,480	222,733	215,890	125,386	231,984	283,937	199,554	267,218	2,645,544
Additions to depletable cost of property	0	241,250	300,900	274,406	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	1,050,239
Unit cost of additions to depletable property	0																	0	0
Depletable cost of property	0	241,250	542,150	816,556	832,474	848,710	865,271	882,164	899,394	916,969	934,895	953,180	971,831	990,854	1,010,259	1,030,051	1,050,239	1,050,239	1,050,239
Unreduced cost depletion	0	0	0	42,880	40,949	38,829	36,496	33,923	39,956	46,538	53,746	62,261	54,218	63,064	54,748	64,855	66,152	67,475	750,088
Net depletion pool	0	0	0	789,594	754,625	703,146	659,224	623,183	595,387	566,776	531,315	492,219	442,540	398,880	357,247	304,415	238,263	170,788	0
Cost depletion	0	0	0	42,880	40,949	38,829	36,496	33,923	39,956	46,538	53,746	62,261	54,218	63,064	54,748	64,855	66,152	67,475	750,088
% depletion	0	0	0	31,383	51,205	68,040	60,814	53,272	45,371	37,131	47,247	57,747	68,703	50,262	61,425	73,020	53,330	65,097	824,047
- Depletion Allowance	0	0	0	42,880	51,205	68,040	60,814	53,272	45,371	46,538	53,746	57,747	68,703	63,064	61,425	73,020	66,152	67,475	879,451
- Taxable income before sp. dedns	0	-35,000	-74,780	-127,840	19,886	51,205	112,867	74,714	98,197	121,339	81,032	117,735	164,987	147,187	62,321	170,559	210,917	133,402	1,528,472
- Losses carried forward	0	0	0	0	19,886	51,205	112,867	53,661	0	0	0	0	0	0	0	0	0	0	237,620
- Losses carried back	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
cumulative operating losses, prior years	35,000	109,780	237,620	217,734	166,529	53,661	0	0	0	0	0	0	0	0	0	0	0	0	0
cumulative operating losses, future years	0	0	0	0	0	0	21,052	98,197	121,339	81,032	117,735	164,987	147,187	62,321	170,559	210,917	133,402	199,743	1,528,472
Alaska taxable income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Regular Alaska income tax	0	0	0	0	0	0	1,979	9,231	11,406	7,617	11,067	15,509	13,836	5,858	16,033	19,826	12,540	18,776	143,676
Alaska Alternative Minimum Tax																			0
Regular Alaska taxable income	0	0	0	0	0	21,052	98,197	121,339	81,032	117,735	164,987	147,187	62,321	170,559	210,917	133,402	199,743	1,528,472	
+ excess % depletion	0	0	0	11,847	23,255	17,940	12,515	6,966	1,346	4,981	8,342	11,379	668	2,957	4,450	0	242	106,887	
+ depreciation adjustment	0	0	0	-124,692	-212,535	-149,443	-104,330	-72,159	-71,232	-70,463	-30,585	8,861	9,038	9,219	9,403	9,591	8,312	5,957	-775,056
+ exploration/development adjustment	0	0	0	0	0	44,343	40,303	-9,952	-9,952	-9,952	-9,952	39,985	35,435	-21,161	-21,161	-16,234	-11,208	50,492	
AMTI before current earnings adjustment	0	0	0	-124,692	-200,688	-126,188	-20,995	78,855	47,121	1,962	82,179	172,237	207,590	107,643	161,759	203,798	125,481	194,734	910,795
+ adj current earnings adjustment	0	0	0	112,088	193,175	184,203	75,865	17,729	58,100	60,923	29,052	0	0	9,509	9,055	8,212	7,142	765,054	
AMTI before AMT/NOL adjustment	0	0	0	-12,603	-7,512	58,015	54,870	96,585	105,221	62,886	111,231	172,237	207,590	107,643	171,267	212,853	133,692	201,876	1,675,849
- AMT/NOL Losses carried forward	0	0	0	0	0	20,116	0	0	0	0	0	0	0	0	0	0	0	0	20,116
cumulative operating losses, prior years	0	0	0	12,603	20,116	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Alternative minimum taxable income	0	0	0	-12,603	-7,512	37,899	54,870	96,585	105,221	62,886	111,231	172,237	207,590	107,643	171,267	212,853	133,692	201,876	1,655,733
Tentative alternative minimum tax	0	0	0	0	0	1,364	1,975	3,477	3,788	2,264	4,004	6,201	7,473	3,875	6,166	7,663	4,813	7,268	60,331
- AMT exemption amount	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Regular income tax	0	0	0	0	0	0	1,979	9,231	11,406	7,617	11,067	15,509	13,836	5,858	16,033	19,826	12,540	18,776	143,676
Alternative minimum tax	0	0	0	0	0	1,364	0	0	0	0	0	0	0	0	0	0	0	0	1,364
Alaska Income Tax	0	0	0	0	0	1,364	1,979	9,231	11,406	7,617	11,067	15,509	13,836	5,858	16,033	19,826	12,540	18,776	145,041

Larger Scale Diamond Mine, 10%IRR (NWT), After Tax
USA, Alaska

Royalty: Alaska Mining License Tax and Production Royalty

Alaska Mining License Tax and Production Royalty (\$000)	2,005	2,006	2,007	2,008	2,009	2,010	2,011	2,012	2,013	2,014	2,015	2,016	2,017	2,018	2,019	2,020	2,021	Total		
Alaska Mining License Tax																				
Gross Income	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357	
- Treatment process deduction																			0	
= Net Income	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357	
Exploration/development expenses	0	175,000	198,900	265,302	0	0	70,385	71,793	0	0	0	79,265	80,850	0	0	0	0	0	941,496	
Net exploration/development pool	0	175,000	373,900	639,202	612,852	583,287	550,390	585,849	621,087	587,530	557,104	522,191	482,623	509,612	539,521	481,788	417,010	362,951	301,684	8,903,582
Unit cost of new expl/dev	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Depreciation	0	0	0	4,549	12,437	18,254	22,595	25,890	29,248	32,676	34,749	35,444	36,153	36,876	37,614	38,366	33,248	23,827	421,928	
- Amortized exploration expense				26,350	29,565	32,897	34,926	36,555	33,557	30,425	34,913	39,568	52,276	50,941	57,734	64,777	54,059	61,267	639,812	
= Net income before depletion		0	0	196,774	228,926	264,670	224,352	183,995	146,672	107,837	148,278	191,743	229,006	143,463	187,735	233,722	158,129	215,315	2,860,618	
Depletable cost of property	0	241,250	542,150	816,556	832,474	848,710	865,271	882,164	899,394	916,969	934,895	953,180	971,831	990,854	1,010,259	1,030,051	1,050,239	1,050,239	15,886,724	
Net depletion pool		241,250	542,150	816,556	798,128	774,577	744,747	718,765	695,238	674,409	656,551	632,569	601,815	563,515	533,325	494,649	446,267	389,042	324,187	324,187
Cost depletion		0	0	34,346	39,359	44,785	42,874	40,757	38,404	35,785	42,266	49,405	57,323	49,595	58,468	68,570	57,225	64,855	724,017	
% depletion				33,420	39,788	46,391	41,464	36,322	30,934	25,316	32,214	39,373	46,843	34,270	41,881	49,787	36,361	44,384	578,748	
- Interest Expense	0	0	0	34,346	39,788	46,391	42,874	40,757	38,404	35,785	42,266	49,405	57,323	49,595	58,468	68,570	57,225	64,855	728,052	
Mining license taxable income	0	0	0	162,428	189,138	218,279	181,478	143,239	108,268	72,052	106,012	142,338	171,683	93,868	129,267	165,152	100,904	150,460	2,134,566	
Alaska mining license tax	0	0	0	0	0	0	6,352	10,027	7,579	5,044	7,421	9,964	12,018	6,571	9,049	11,561	7,063	10,532	103,179	
Production Royalty																				
Net income for production royalty	0	0	0	162,428	189,138	218,279	181,478	143,239	108,268	72,052	106,012	142,338	171,683	93,868	129,267	165,152	100,904	150,460	2,134,566	
Alaska Production Royalty	0	0	0	4,873	5,674	6,548	5,444	4,297	3,248	2,162	3,180	4,270	5,150	2,816	3,878	4,955	3,027	4,514	64,037	
Alaska Mining License Tax and Royalty	0	0	0	4,873	5,674	6,548	11,796	14,324	10,827	7,205	10,601	14,234	17,168	9,387	12,927	16,515	10,090	15,046	167,216	
Cash Flow from Operations (\$000)																			Total	
Net operating revenue	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Development Expense	0	100,000	122,400	187,272	0	0	70,385	71,793	0	0	0	79,265	80,850	0	0	0	0	0	711,966	
- Capital Plant & Infrastructure	0	140,000	197,625	172,967	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	744,275	
- Infrastructure	0	26,250	26,775	23,409	0	0	0	0	0	0	0	0	0	0	0	0	0	0	76,434	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve																				
- Interest expense		3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	1,741	0	0	0	0	0	0	0	0	124,315	
- Fed. Income Tax	0	0	0	0	0	0	8,913	10,976	27,701	35,903	27,276	37,099	48,958	42,609	22,027	51,046	62,996	43,062	479,203	
- Provincial Income Tax	0	0	0	0	0	0	1,364	1,979	9,231	11,406	7,617	11,067	15,509	13,836	5,858	16,033	19,826	12,540	18,776	
- Provincial Capital Tax																				
- Provincial Mining Tax	0	0	0	4,873	5,674	6,548	11,796	14,324	10,827	7,205	10,601	14,234	17,168	9,387	12,927	16,515	10,090	15,046	167,216	
= Net Cash Flow	0	-344,876	-435,203	-483,489	179,238	226,451	265,163	158,093	100,164	132,026	110,913	140,888	169,404	145,534	93,753	183,285	217,340	179,745	205,950	1,244,379

**Larger Scale Diamond Mine, 10%IRR (NWT), After Tax
USA, Nevada**

Federal Income Tax (\$000)	initial	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Net Revenue	0	0	0	0	379,426	425,716	473,705	442,915	410,703	377,025	341,836	392,257	444,558	498,794	416,266	471,768	529,324	441,745	500,644	6,546,681
- Operating Costs	0	0	0	0	151,753	154,788	157,884	161,041	164,262	167,547	170,898	174,316	177,803	181,359	184,986	188,685	192,459	196,308	200,235	2,624,323
Gross Income	0	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357
Net assets for depreciation	0																			0
New exploration/acquisition to be amortized	0	75,000	76,500	78,030	0															229,530
Net exploration expense pool	0	60,000	106,200	138,324	92,418	46,512	15,606	0	0	0	0	0	0	0	0	0	0	0	0	459,060
New development to be amortized	0	100,000	122,400	187,272	0	0	0	21,116	21,538	0	0	0	0	23,780	24,255	0	0	0	0	500,360
Net development expense pool	0	80,000	157,920	263,258	181,323	99,389	37,454	16,892	29,900	21,369	12,838	4,308	-	19,024	33,672	24,065	14,458	4,851	0	1,000,720
- Depreciation					4,549	12,437	18,254	22,595	25,890	29,248	32,676	34,749	35,444	36,153	36,876	37,614	38,366	33,248	23,827	421,928
- Current exploration expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Amortized exploration expense		15,000	30,300	45,906	45,906	45,906	30,906	15,606												229,530
- Current development expense		0	0	0	0	0	0	49,270	50,255	0	0	0	0	55,486	56,595	0	0	0	0	211,605
- Amortized development expense		20,000	44,480	81,934	81,934	81,934	61,934	41,678	8,531	8,531	8,531	8,531	4,308	4,756	9,607	9,607	9,607	9,607	4,851	500,360
- Interest Expense		0	0	0	27,644	22,566	17,272	11,752	5,998	1,293	0	0	0	0	0	0	0	0	0	86,525
- State Income Tax		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- State Mining License Tax		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- State Royalty		0	0	0	0	11,555	13,894	8,762	6,996	8,806	6,940	9,345	11,834	10,447	6,098	12,764	15,482	11,010	13,851	147,784
- Environmental Tax		0	0	0	0	0	56	67	116	126	86	141	203	243	141	205	255	169	243	2,050
- Reclamation Reserve Deduction	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Reclamation Reserve Income																				0
Depletable gross income					227,673	259,373	301,928	273,111	239,444	200,672	163,998	208,596	254,922	306,988	225,182	270,319	321,383	234,426	286,559	3,774,573
Net income before depletion					67,639	96,530	173,506	132,143	148,654	161,474	122,705	165,175	214,966	210,351	121,963	222,893	273,155	191,402	257,638	2,560,195
Additions to depletable cost of property	0	241,250	300,900	274,406	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	1,050,239
Unit cost of additions to depletable property	0																			0
Depletable cost of property	0	241,250	542,150	816,556	832,474	848,710	865,271	882,164	899,394	916,969	934,895	953,180	971,831	990,854	1,010,259	1,030,051	1,050,239	1,050,239	1,050,239	1,050,239
Unreduced cost depletion					34,346	39,359	44,785	42,874	40,757	38,404	35,785	42,266	49,405	57,323	49,595	58,468	68,570	57,225	64,855	724,017
Net depletion pool					798,128	766,100	716,237	673,045	637,597	611,025	592,871	565,265	527,833	479,319	449,129	409,451	358,935	301,710	236,855	
Cost depletion	0	0	0	0	34,346	39,359	44,785	42,874	40,757	38,404	35,785	42,266	49,405	57,323	49,595	58,468	68,570	57,225	64,855	724,017
% depletion					33,819	48,265	66,424	60,084	52,678	44,148	36,080	45,891	56,083	67,537	49,540	59,470	70,704	51,574	63,043	805,340
- Depletion Allowance					34,346	48,265	66,424	60,084	52,678	44,148	36,080	45,891	56,083	67,537	49,595	59,470	70,704	57,225	64,855	813,384
= Taxable income before sp. dedns		-35,000	-74,780	-127,840	33,293	48,265	107,082	72,059	95,976	117,326	86,625	119,284	158,884	142,813	72,369	163,423	202,451	134,177	192,783	1,509,191
- Losses carried forward		0	0	0	33,293	48,265	107,082	48,980	0	0	0	0	0	0	0	0	0	0	0	237,620
- Losses carried back																				0
cumulative operating losses, prior years		35,000	109,780	237,620	204,327	156,062	48,980	0	0	0	0	0	0	0	0	0	0	0	0	0
cumulative operating losses, future years																				0
= Taxable Income		0	0	0	0	0	0	23,079	95,976	117,326	86,625	119,284	158,884	142,813	72,369	163,423	202,451	134,177	192,783	1,509,191
Regular Federal Income Tax		0	0	0	0	0	0	8,077	33,592	41,064	30,319	41,749	55,609	49,985	25,329	57,198	70,858	46,962	67,474	528,217

**Larger Scale Diamond Mine, 10%IRR (NWT), After Tax
USA, Nevada**

Alternative Minimum Tax Calculation	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total		
Regular taxable income	0	0	0	0	0	0	23,079	95,976	117,326	86,625	119,284	158,884	142,813	72,369	163,423	202,451	134,177	192,783	1,509,191	
+ excess % depletion	0	0	0	0	0	8,906	21,639	17,210	11,921	5,743	295	3,625	6,678	10,214	0	1,002	2,134	0	89,367	
depreciation claimed above net assets for depreciation	0	249,375	585,975	880,538	775,174	574,558	431,703	330,116	257,911	183,794	107,544	69,638	71,031	72,451	73,900	75,378	76,886	51,950	34,079	4,902,000
150% decl bal depreciation	0	0	0	0	129,241	224,972	167,697	126,926	98,050	100,480	103,139	65,334	26,583	27,115	27,657	28,210	28,774	24,936	17,870	1,196,984
+ depreciation adjustment	0	0	0	0	-124,692	-212,535	-149,443	-104,330	-72,159	-71,232	-70,463	-30,585	8,861	9,038	9,219	9,403	9,591	8,312	5,957	-775,056
current expl/mine dev claimed above net expl/mine dev for amortization	0	0	0	0	0	0	0	49,270	50,255	0	0	0	0	55,486	56,595	0	0	0	0	211,605
current expl/mine dev amortized	0	0	0	0	0	0	0	44,343	84,645	74,693	64,740	54,788	44,835	84,820	120,255	99,094	77,934	61,700	50,492	862,338
+ exploration/development adjustment	0	0	0	0	0	0	0	4,927	9,952	9,952	9,952	9,952	9,952	15,501	21,161	21,161	21,161	16,234	11,208	161,114
AMTI before current earnings adjustment	0	0	0	0	-124,692	-203,628	-127,804	-19,699	76,040	41,885	6,505	82,372	164,470	202,050	117,022	152,668	193,016	126,256	187,532	873,993
+ adj current earnings adjustment	0	0	0	0	118,489	197,586	186,627	75,440	20,286	63,280	65,360	34,798	4,838	0	0	17,793	18,879	14,326	14,508	832,210
AMTI before AMT/NOL adjustment	0	0	0	0	-6,203	-6,042	58,823	55,741	96,326	105,165	71,865	117,170	169,308	202,050	117,022	170,461	211,895	140,581	202,040	1,706,204
- Losses carried forward	0	0	0	0	0	0	12,245	0	0	0	0	0	0	0	0	0	0	0	0	12,245
cumulative operating losses, prior years	0	0	0	0	6,203	12,245	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Alternative minimum taxable income	0	0	0	0	-6,203	-6,042	46,578	55,741	96,326	105,165	71,865	117,170	169,308	202,050	117,022	170,461	211,895	140,581	202,040	1,693,959
Tentative alternative minimum tax	0	0	0	0	0	0	9,316	11,148	19,265	21,033	14,373	23,434	33,862	40,410	23,404	34,092	42,379	28,116	40,408	341,241
- AMT exemption amount	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Regular income tax	0	0	0	0	0	0	8,077	33,592	41,064	30,319	41,749	55,609	49,985	25,329	57,198	70,858	46,962	67,474	0	528,217
Alternative minimum tax	0	0	0	0	0	9,316	3,071	0	0	0	0	0	0	0	0	0	0	0	0	12,386
Environmental Tax																				
Alternative minimum taxable income	0	0	0	0	0	46,578	55,741	96,326	105,165	71,865	117,170	169,308	202,050	117,022	170,461	211,895	140,581	202,040	1,706,204	
+ environmental tax deducted in calcs	0	0	0	0	0	56	67	116	126	86	141	203	243	141	205	255	169	243	2,050	
- exemption	0	0	0	0	0	2	2	2	2	2	2	2	2	2	2	2	2	2	2	26
Environmental taxable income	0	0	0	0	0	46,632	55,806	96,440	105,289	71,949	117,309	169,509	202,291	117,161	170,664	212,147	140,748	202,281	1,708,228	
Environmental tax	0	0	0	0	0	56	67	116	126	86	141	203	243	141	205	255	169	243	2,050	
Federal Income Tax	0	0	0	0	0	9,372	11,215	33,707	41,190	30,405	41,890	55,813	50,227	25,470	57,403	71,112	47,131	67,717	542,653	
Nevada Royalty (\$000)		2,005	2,006	2,007	2,008	2,009	2,010	2,011	2,012	2,013	2,014	2,015	2,016	2,017	2,018	2,019	2,020	2,021	Total	
Nevada Proceeds of Minerals Tax																				
Total Mine Revenue			379,426	425,716	473,705	442,915	410,703	377,025	341,836	392,257	444,558	498,794	416,266	471,768	529,324	441,745	500,644		6,546,681	
- Cost of Extraction			151,753	154,788	157,884	161,041	164,262	167,547	170,898	174,316	177,803	181,359	184,986	188,685	192,459	196,308	200,235		2,624,323	
- Production Royalties			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
- Exploration & Development Expenses			639,202	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0		941,496	
- Depreciation			41,925	39,828	37,941	36,245	34,722	33,357	32,137	31,049	30,081	29,224	28,467	27,803	27,224	25,230	23,399		478,633	
Taxable proceeds			0	231,100	277,881	175,244	139,926	176,120	138,801	186,892	236,674	208,946	121,963	255,280	309,641	220,206	277,011		2,955,683	
Nevada Proceeds of Minerals Tax	0	0	0	0	11,555	13,894	8,762	6,996	8,806	6,940	9,345	11,834	10,447	6,098	12,764	15,482	11,010	13,851	147,784	

**Larger Scale Diamond Mine, 10%IRR (NWT), After Tax
USA, Nevada**

Cash Flow from Operations (\$000)

																				Total
Net operating revenue	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530
- Development Expense	0	100,000	122,400	187,272	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	0	711,966
- Capital Plant & Infrastructure	0	140,000	197,625	172,967	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	744,275
- Infrastructure	0	26,250	26,775	23,409	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	76,434
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Interest expense		3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	1,293	0	0	0	0	0	0	0	0	0	123,866
- Fed. Income Tax	0	0	0	0	0	0	9,372	11,215	33,707	41,190	30,405	41,890	55,813	50,227	25,470	57,403	71,112	47,131	67,717	542,653
- Provincial Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Provincial Capital Tax																				
- Provincial Mining Tax	0	0	0	0	0	11,555	13,894	8,762	6,996	8,806	6,940	9,345	11,834	10,447	6,098	12,764	15,482	11,010	13,851	147,784
= Net Cash Flow	0	-344,876	-435,203	-483,489	184,111	220,571	258,724	162,866	110,715	140,613	115,666	148,421	180,458	158,472	99,458	193,124	230,082	187,295	218,842	1,345,849

Appendix 6c - Diamond10.xls

June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 10%IRR (NWT), After Tax																				
South Africa Corporate Income Tax + Diamond Royalty																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357	
- Capital Redemption Deduction	0	0	0	645,233	7,306	7,453	77,987	79,546	7,909	8,067	8,228	8,393	87,826	89,582	8,906	9,085	0	0	1,045,521	
- Exploration Expenses	0	0	0	229,530	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Allowable Capital expenditures	0	0	0	36,738	33,957	31,473	29,254	27,277	25,516	26,611	27,868	29,334	31,077	33,212	35,933	39,634	39,634	39,634	487,154	
- Interest	0	0	0	27,644	22,566	17,272	11,752	5,998	1,309	0	0	0	0	0	0	0	0	0	86,541	
- Mining Royalty	0	0	0	37,943	42,572	47,371	44,291	41,070	37,703	34,184	39,226	44,456	49,879	41,627	47,177	52,932	44,174	50,064	654,668	
- R&D	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Net Profit	0	0	0	-749,415	164,527	212,255	118,588	92,549	137,042	102,076	142,619	184,573	148,653	66,860	191,066	235,213	161,628	210,711	1,418,944	
- Losses Carried Forward	0	0	0	0	164,527	212,255	118,588	92,549	137,042	24,454	0	0	0	0	0	0	0	0	749,415	
= Taxable Income	0	0	0	0	0	0	0	0	0	77,622	142,619	184,573	148,653	66,860	191,066	235,213	161,628	210,711	1,418,944	
Federal Income Tax	0	0	0	0	0	0	0	0	0	22,510	41,359	53,526	43,109	19,389	55,409	68,212	46,872	61,106	411,494	
Royalty (\$000)																				
Net Sales (sales - post-site charges)	0	0	0	379,426	425,716	473,705	442,915	410,703	377,025	341,836	392,257	444,558	498,794	416,266	471,768	529,324	441,745	500,644	6,546,681	
State Mining Royalty	0	0	0	18,971	21,286	23,685	22,146	20,535	18,851	17,092	19,613	22,228	24,940	20,813	23,588	26,466	22,087	25,032	327,334	
Export Levy	0	0	0	18,971	21,286	23,685	22,146	20,535	18,851	17,092	19,613	22,228	24,940	20,813	23,588	26,466	22,087	25,032	327,334	
State Diamond Royalty	0	0	0	37,943	42,572	47,371	44,291	41,070	37,703	34,184	39,226	44,456	49,879	41,627	47,177	52,932	44,174	50,064	654,668	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Development Expense	0	100,000	122,400	187,272	0	0	70,385	71,793	0	0	0	79,265	80,850	0	0	0	0	0	711,966	
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	820,709	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	1,309	0	0	0	0	0	0	0	0	0	123,882	
- Fed. Income Tax	0	0	0	0	0	0	0	0	0	22,510	41,359	53,526	43,109	19,389	55,409	68,212	46,872	61,106	411,494	
- Provincial Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- State Mining Royalty	0	0	0	37,943	42,572	47,371	44,291	41,070	37,703	34,184	39,226	44,456	49,879	41,627	47,177	52,932	44,174	50,064	654,668	
= Net Cash Flow from Operations, After Tax	-344,876	-435,203	-483,489	146,168	189,554	234,619	138,552	110,349	152,892	96,317	119,071	150,123	126,158	70,010	160,705	195,532	154,390	189,239	970,109	

Appendix 6c - Diamond10.xls

June 12, 2008

Mine Tax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 10%IRR (NWT), After Tax																				
Namibia Corporate Income Tax + Diamond Royalty																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357	
- Capital Redemption Deduction	0	0	0	645,233	7,306	7,453	77,987	79,546	7,909	8,067	8,228	8,393	87,826	89,582	8,906	9,085	0	0	1,045,521	
- Exploration Expenses	0	0	0	229,530	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Allowable Capital expenditures	0	0	0	36,738	33,957	31,473	29,254	27,277	25,516	26,611	27,868	29,334	31,077	33,212	35,933	39,634	39,634	39,634	487,154	
- Interest	0	0	0	27,644	22,566	17,272	11,752	5,998	1,309	0	0	0	0	0	0	0	0	0	86,541	
- Mining Royalty	0	0	0	37,943	42,572	47,371	44,291	41,070	37,703	34,184	39,226	44,456	49,879	41,627	47,177	52,932	44,174	50,064	654,668	
- R&D	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
= Net Profit	0	0	0	-749,415	164,527	212,255	118,588	92,549	137,042	102,076	142,619	184,573	148,653	66,860	191,066	235,213	161,628	210,711	1,418,944	
- Losses Carried Forward	0	0	0	0	164,527	212,255	118,588	92,549	137,042	24,454	0	0	0	0	0	0	0	0	749,415	
= Taxable Income	0	0	0	0	0	0	0	0	0	77,622	142,619	184,573	148,653	66,860	191,066	235,213	161,628	210,711	1,418,944	
Corporate Income Tax	0	0	0	0	0	0	0	0	0	42,692	78,440	101,515	81,759	36,773	105,086	129,367	88,895	115,891	780,419	
Non-resident tax on dividends	0	0	0	0	0	0	0	0	0	75	2,495	3,860	1,701	0	3,880	5,291	2,856	4,476	24,635	
Total Corporate Tax	0	0	0	0	0	0	0	0	0	42,767	80,935	105,375	83,460	36,773	108,967	134,659	91,751	120,367	805,054	
Royalty (\$000)																				
Net Sales (sales - post-site charges)	0	0	0	379,426	425,716	473,705	442,915	410,703	377,025	341,836	392,257	444,558	498,794	416,266	471,768	529,324	441,745	500,644	6,546,681	
State Royalty	0	0	0	37,943	42,572	47,371	44,291	41,070	37,703	34,184	39,226	44,456	49,879	41,627	47,177	52,932	44,174	50,064	654,668	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Development Expense	0	100,000	122,400	187,272	0	0	70,385	71,793	0	0	0	0	79,265	80,850	0	0	0	0	711,966	
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	820,709	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Interest expense	3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	1,309	0	0	0	0	0	0	0	0	0	123,882	
- Fed. Income Tax	0	0	0	0	0	0	0	0	0	42,767	80,935	105,375	83,460	36,773	108,967	134,659	91,751	120,367	805,054	
- Provincial Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Provincial Capital Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- State Mining Royalty	0	0	0	37,943	42,572	47,371	44,291	41,070	37,703	34,184	39,226	44,456	49,879	41,627	47,177	52,932	44,174	50,064	654,668	
= Net Cash Flow from Operations, After Tax	-344,876	-435,203	-483,489	146,168	189,554	234,619	138,552	110,349	152,892	76,061	79,495	98,273	85,807	52,626	107,147	129,086	109,511	129,979	576,549	

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MineTax by AnalysisWorks

Larger Scale Diamond Mine, 10%IRR (NWT), After Tax Chile

Federal Income Tax (\$000)	initial	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Net Operating Revenue	0	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357
- Depreciation					112,037	117,606	123,353	42,287	44,081	45,929	47,943	50,159	52,628	55,424	22,026	24,099	27,172	23,494	19,658	807,896
- Organization & Setup Deduction					234,090	0	0	0	0	0	0	0	0	0	0	0	0	0	0	234,090
- Development Costs Deduction					63,009	64,269	65,555	75,664	86,151	87,874	89,632	91,425	19,428	33,027	49,858	40,546	30,843	31,460	32,089	860,830
- Interest incl. Foreign Debt Charge		0	0	0	68,442	24,794	19,464	13,876	8,051	1,828	0	0	0	0	0	0	0	0	0	136,456
= Net Income	0	0	0	0	-249,905	64,258	107,450	150,045	108,157	73,846	33,363	76,357	194,700	228,984	159,397	218,437	278,850	190,483	248,663	1,883,085
- Prior Years' Losses	0	0	0	0	64,258	107,450	78,197	0	0	0	0	0	0	0	0	0	0	0	0	249,905
= Taxable Income	0	0	0	0	0	0	71,848	108,157	73,846	33,363	76,357	194,700	228,984	159,397	218,437	278,850	190,483	248,663	1,883,085	
First Category Tax	0	0	0	0	0	0	12,214	18,387	12,554	5,672	12,981	33,099	38,927	27,097	37,134	47,405	32,382	42,273	320,125	
Taxable Income For Additional Tax	0	0	0	0	0	0	71,848	108,157	73,846	33,363	76,357	194,700	228,984	159,397	218,437	278,850	190,483	248,663	1,883,085	
Additional Tax	0	0	0	0	0	0	30,176	45,426	31,015	14,012	32,070	81,774	96,173	66,947	91,744	117,117	80,003	104,438	790,896	
First Category Tax Credit	0	0	0	0	0	0	12,214	18,387	12,554	5,672	12,981	33,099	38,927	27,097	37,134	47,405	32,382	42,273	320,125	
Net Additional Tax	0	0	0	0	0	0	17,962	27,039	18,462	8,341	19,089	48,675	57,246	39,849	54,609	69,713	47,621	62,166	470,771	
Total Income Tax	0	0	0	0	0	0	30,176	45,426	31,015	14,012	32,070	81,774	96,173	66,947	91,744	117,117	80,003	104,438	790,896	

Mining Activities Tax (\$000)

Revenue from Mineral Sales	0	0	0	0	379,426	425,716	473,705	442,915	410,703	377,025	341,836	392,257	444,558	498,794	416,266	471,768	529,324	441,745	500,644	6,546,681
- Operating Costs	0	0	0	0	151,753	154,788	157,884	161,041	164,262	167,547	170,898	174,316	177,803	181,359	184,986	188,685	192,459	196,308	200,235	2,624,323
- Depreciation					112,037	117,606	123,353	42,287	44,081	45,929	47,943	50,159	52,628	55,424	22,026	24,099	27,172	23,494	19,658	807,896
- Organization & Setup Deduction					234,090	0	0	0	0	0	0	0	0	0	0	0	0	0	0	234,090
- Development Costs Deduction	0	0	0	0	63,009	64,269	65,555	75,664	86,151	87,874	89,632	91,425	19,428	33,027	49,858	40,546	30,843	31,460	32,089	860,830
= Net Income	0	0	0	0	-181,463	89,052	126,914	163,922	116,208	75,674	33,363	76,357	194,700	228,984	159,397	218,437	278,850	190,483	248,663	2,019,541
- Prior Years' Losses	0	0	0	0	89,052	92,411	0	0	0	0	0	0	0	0	0	0	0	0	0	181,463
= Taxable Income	0	0	0	0	0	34,503	163,922	116,208	75,674	33,363	76,357	194,700	228,984	159,397	218,437	278,850	190,483	248,663	2,019,541	
Net Mining Activities Tax	0	0	0	0	0	1,725	8,196	5,810	3,784	1,668	3,818	9,735	11,449	7,970	10,922	13,943	9,524	12,433	100,977	

Cash Flow from Operations (\$000)

	initial	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Net operating revenue	0	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530
- Development Expense	0	100,000	122,400	187,272	0	0	0	70,385	71,793	0	0	0	79,265	80,850	0	0	0	0	0	711,966
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	0	820,709
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental reserve																				
- Interest expense		3,626	11,903	21,812	27,644	22,566	17,272	11,752	5,998	1,828	0	0	0	0	0	0	0	0	0	124,401
- Foreign Debt Charge to Central Bank		2,222	703	532	0	2,228	2,192	2,124	2,053	0	0	0	0	0	0	0	0	0	0	0
- Fed. Income Tax	0	0	0	0	0	0	0	30,176	45,426	31,015	14,012	32,070	81,774	96,173	66,947	91,744	117,117	80,003	104,438	790,896
- Provincial Income Tax																				0
- Provincial Capital Tax																				0
- Provincial Mining Tax	0	0	0	0	0	0	1,725	8,196	5,810	3,784	1,668	3,818	9,735	11,449	7,970	10,922	13,943	9,524	12,433	100,977
= Net Cash Flow	0	-347,097	-435,906	-484,021	184,111	229,897	278,072	142,347	98,130	155,276	137,331	163,768	156,596	111,524	56,109	160,625	185,617	155,910	183,538	1,131,824

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June 12, 2008

MineTax	Historic	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Larger Scale Diamond Mine, 10%IRR (NWT), After Tax																				
Peru Corporate Income Tax + Mining Royalty																				
Federal Income Tax (\$000)																				
Net Operating Revenue	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357	
- Exploration Expenses	0	0	0	229,530	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Depreciation	0	0	0	101,262	92,759	85,139	85,353	85,720	78,906	80,897	83,183	85,847	102,229	122,280	127,228	133,957	133,957	133,957	1,532,674	
- Interest	0	0	0	27,644	22,566	17,272	11,752	6,715	2,623	0	0	0	0	0	0	0	0	0	88,572	
- Mining Royalty	0	0	0	0	11,383	12,771	14,211	13,287	12,321	11,311	10,255	11,768	13,337	14,964	12,488	14,153	15,880	13,252	181,381	
= Net Profit	0	0	0	-130,763	144,220	200,640	170,557	140,718	115,628	78,730	124,503	169,140	201,870	94,037	143,367	188,755	95,600	153,200	1,890,200	
- Losses Carried Forward	0	0	0	0	130,763	0	0	0	0	0	0	0	0	0	0	0	0	0	130,763	
= Taxable Income	0	0	0	0	13,457	200,640	170,557	140,718	115,628	78,730	124,503	169,140	201,870	94,037	143,367	188,755	95,600	153,200	1,890,200	
Federal Income Tax	0	0	0	0	4,026	60,031	51,031	42,103	34,596	23,556	37,251	50,607	60,399	28,136	42,895	56,475	28,603	45,838	565,548	
Royalty (\$000)																				
Net Sales (sales - post-site charges)	0	0	0	379,426	425,716	473,705	442,915	410,703	377,025	341,836	392,257	444,558	498,794	416,266	471,768	529,324	441,745	500,644	6,546,681	
State Mining Royalty	0	0	0	11,383	12,771	14,211	13,287	12,321	11,311	10,255	11,768	13,337	14,964	12,488	14,153	15,880	13,252	15,019	196,400	
Cash Flow from Operations (\$000)																				
Net operating revenue	0	0	0	227,673	270,928	315,822	281,873	246,441	209,478	170,938	217,941	266,755	317,435	231,280	283,083	336,865	245,437	300,410	3,922,357	
- Property Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- Exploration Expense	0	75,000	76,500	78,030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,530	
- Development Expense	0	100,000	122,400	187,272	0	0	0	70,385	71,793	0	0	0	79,265	80,850	0	0	0	0	711,966	
- Capital Plant & Infrastructure	0	166,250	224,400	196,376	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	0	820,709	
- Working Capital (withdrawal is -ve)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental reserve																				
- Interest expense	3,626	11,903	21,812	27,644	22,566	17,272	11,752	6,715	2,623	0	0	0	0	0	0	0	0	0	125,913	
- Fed. Income Tax	0	0	0	0	4,026	60,031	51,031	42,103	34,596	23,556	37,251	50,607	60,399	28,136	42,895	56,475	28,603	45,838	565,548	
- Provincial Income Tax																			0	
- Provincial Capital Tax																			0	
- State Mining Royalty	0	0	0	11,383	12,771	14,211	13,287	12,321	11,311	10,255	11,768	13,337	14,964	12,488	14,153	15,880	13,252	15,019	196,400	
= Net Cash Flow from Operations, After Tax	-344,876	-435,203	-483,489	172,728	215,328	207,747	118,525	96,279	143,373	119,200	150,637	184,161	143,783	90,402	206,242	244,322	203,581	239,553	1,272,292	