



**NI 43-101 TECHNICAL REPORT
PRELIMINARY ECONOMIC ASSESSMENT ON THE ELK GOLD PROJECT
ANNUAL CASH FLOW SUMMARY**

	Unit	Total	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Open Pit Production													
Resources Mined	dmt ('000s)	2,542	70	70	70	324	324	324	324	324	324	324	63
Non-Resources Mined	dmt ('000s)	22,765	2,594	2,843	2,401	2,617	2,236	2,165	2,481	2,479	2,641	308	-
Au	g/t	6.8	10.4	8.4	9.2	6.3	6.3	7.2	7.0	5.9	7.8	7.2	4.9
Ag	g/t	11.5	9.1	9.0	8.2	10.8	9.1	10.1	8.3	11.8	15.0	18.8	12.4
S	%	0.81	0.81	0.08	0.10	0.50	0.50	0.9	1.2	1.3	1.0	1.1	1.8
Strip Ratio	nr:r	20.2	19.1	18.1	17.8	56.3	13.4	11.2	36.3	31.0	33.1	4.8	-
Au Mined	oz ('000s)	570	23.3	18.8	20.8	65.6	65.2	75.3	73.5	61.7	81.0	75.4	9.8
Au Recovered	oz ('000s)	525	21.5	17.3	19.1	60.3	60.0	69.3	67.6	56.7	74.5	69.3	9.1
Ag Mined	oz ('000s)	958	20.4	20.3	18.5	112.5	95.1	105.2	87.0	122.6	156.3	195.5	25.0
Ag Recovered	oz ('000s)	671	14.3	14.2	13.0	78.7	66.6	73.7	60.9	85.8	109.4	136.8	17.5
Revenue													
Au Price	US\$/oz		1,777	1,717	1,645	1,625	1,600	1,600	1,600	1,600	1,600	1,600	
Au Price	\$/oz		2,401	2,320	2,223	2,196	2,162	2,162	2,162	2,162	2,162	2,162	
Ag Price	US\$/oz		19.27	19.07	18.52	18.27	18.11	18.11	18.11	18.11	18.11	18.11	
Ag Price	\$/oz		26	26	25	25	24	24	24	24	24	24	
Cost of Gold Revenue													
Gold Payable Deduction	\$ '000	42,390	1,908	1,488	1,570	4,903	4,801	5,540	5,408	4,538	5,962	5,546	724
TC/RC	\$ '000	3,149	129	104	115	362	360	416	406	340	447	416	54
Total Cost of Revenue	\$ '000	45,539	2,037	1,592	1,685	5,265	5,161	5,956	5,814	4,878	6,410	5,962	779
Cost of Silver Revenue													
Silver Payable Deduction	\$ '000	1,525	34	34	30	180	151	167	138	194	248	310	40
TC/RC	\$ '000	335	7	7	6	39	33	37	30	43	55	68	9
Total Cost of Revenue	\$ '000	1,860	42	41	36	219	184	204	168	237	302	378	48
Gross Revenue Gold	\$ '000	1,014,222	45,673	35,605	37,574	117,313	114,872	132,551	129,393	108,562	142,652	132,694	17,334
Gross Revenue Silver	\$ '000	13,388	303	298	264	1,579	1,323	1,464	1,211	1,705	2,175	2,719	347
Capital Costs													
Total Owner's Costs	\$ '000	16,700	3,900	7,000	3,730	230	230	230	230	230	230	230	230
Total Capital Cost	\$ '000	63,523	9,049	470	1,295	8,720	8,720	8,720	7,345	3,220	3,220	3,220	6,570
Operating Costs													
OP Mining Cost	\$ '000	107,730	11,863	11,643	9,832	13,212	14,895	9,873	11,632	10,991	12,169	1,622	-
UG Mining Cost	\$ '000	127,375	-	-	-	18,941	15,799	15,207	13,148	16,270	20,472	23,341	4,197
Highway Haulage	\$ '000	36,350	1,001	1,001	1,004	4,633	4,633	4,633	4,646	4,633	4,633	4,633	899
Total Operating Cost	\$ '000	281,409	13,332	13,112	11,303	37,736	36,277	30,663	30,376	32,844	38,224	30,546	6,046
Total Cash Costs, Net PBC	\$ '000	361,632	26,281	20,582	16,329	46,687	45,228	39,614	37,951	36,294	41,674	33,996	12,846
	AISC US\$/oz	554											
Net Before Tax Cash Flows	\$ '000	534,654	13,839	10,401	16,322	57,103	56,210	77,367	76,054	59,973	84,736	84,204	2,593
Tax Expense	\$ '000	222,378	4,126	5,776	7,244	24,185	23,640	32,217	31,510	24,322	34,385	34,207	767
After Tax Cash Flows	\$ '000	312,275	9,713	4,625	9,078	32,919	32,571	45,151	44,544	35,651	50,351	49,997	1,826

Notes: The discount rate used is 5%, all numbers are in real C\$; All figures are expressed in Canadian dollars unless otherwise stated; dmt = dry metric ton