

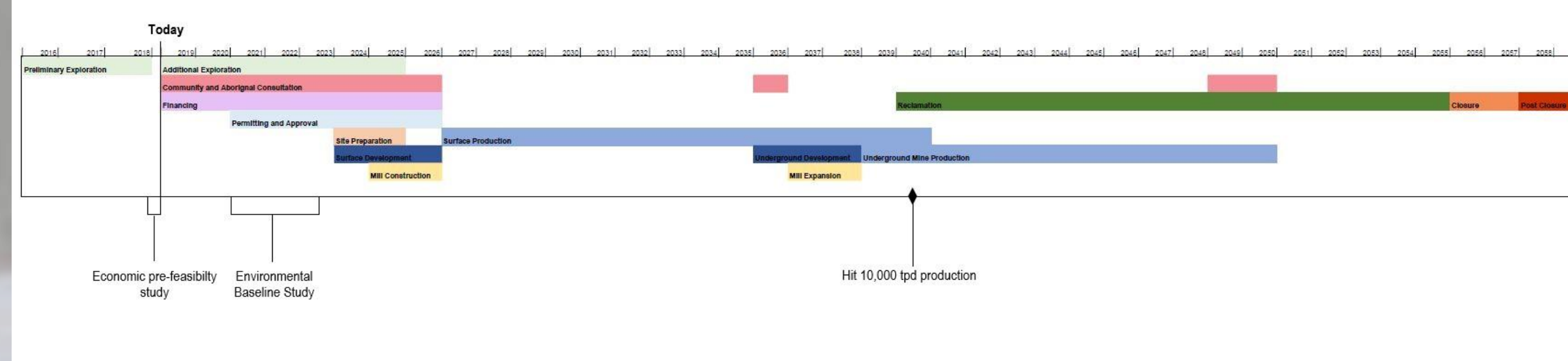
Project Description

The intention of this project is to provide site characteristics, preliminary mine design, economic viability, potential socio-economic and environmental impacts of mining a lead-zinc-silver deposit in Sparrow Lake, NWT.

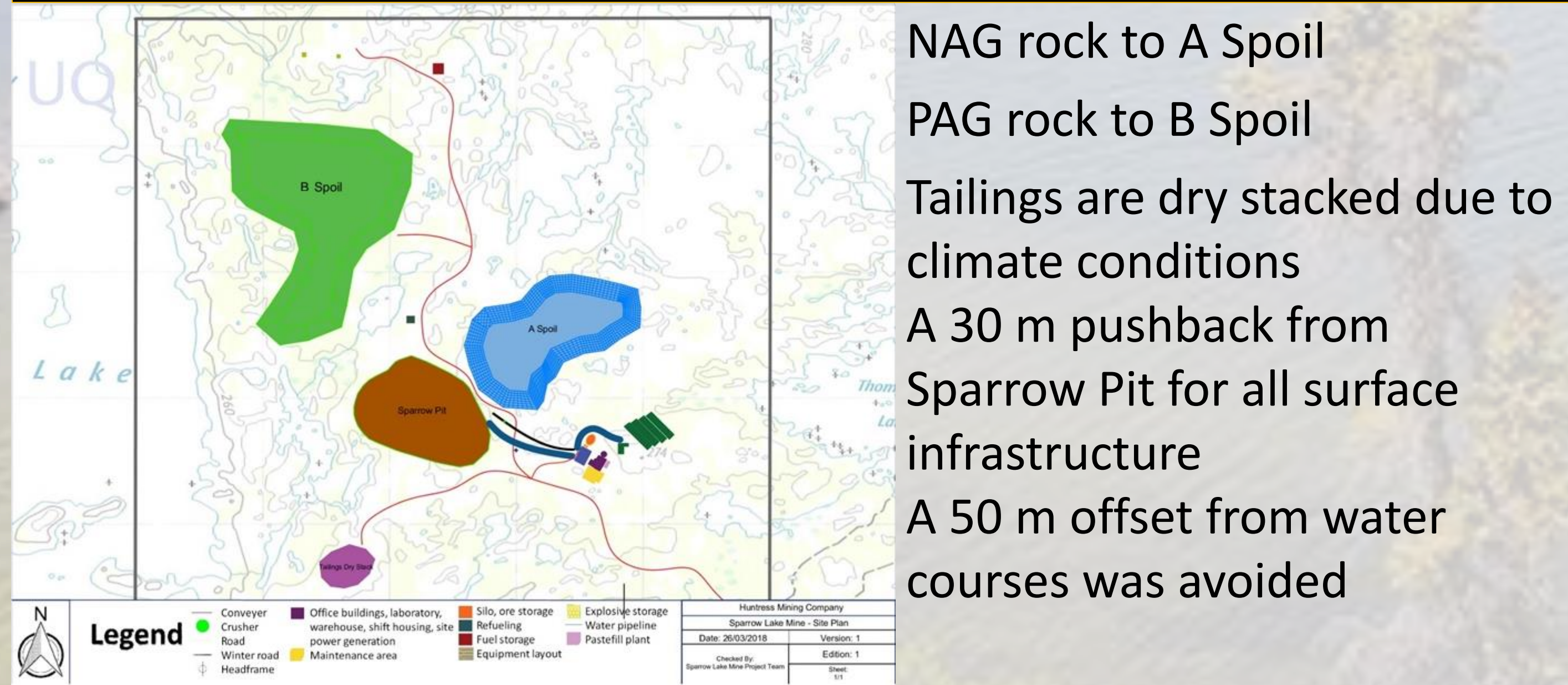
Information Provided

- 25 km² claim block
- 36 Drill Holes
- 2 Exploration Trenches
- Geological Site Map with Contours
- Geological Hand Samples
- Location in UTM

Proposed Project Schedule



Mine Site Plan

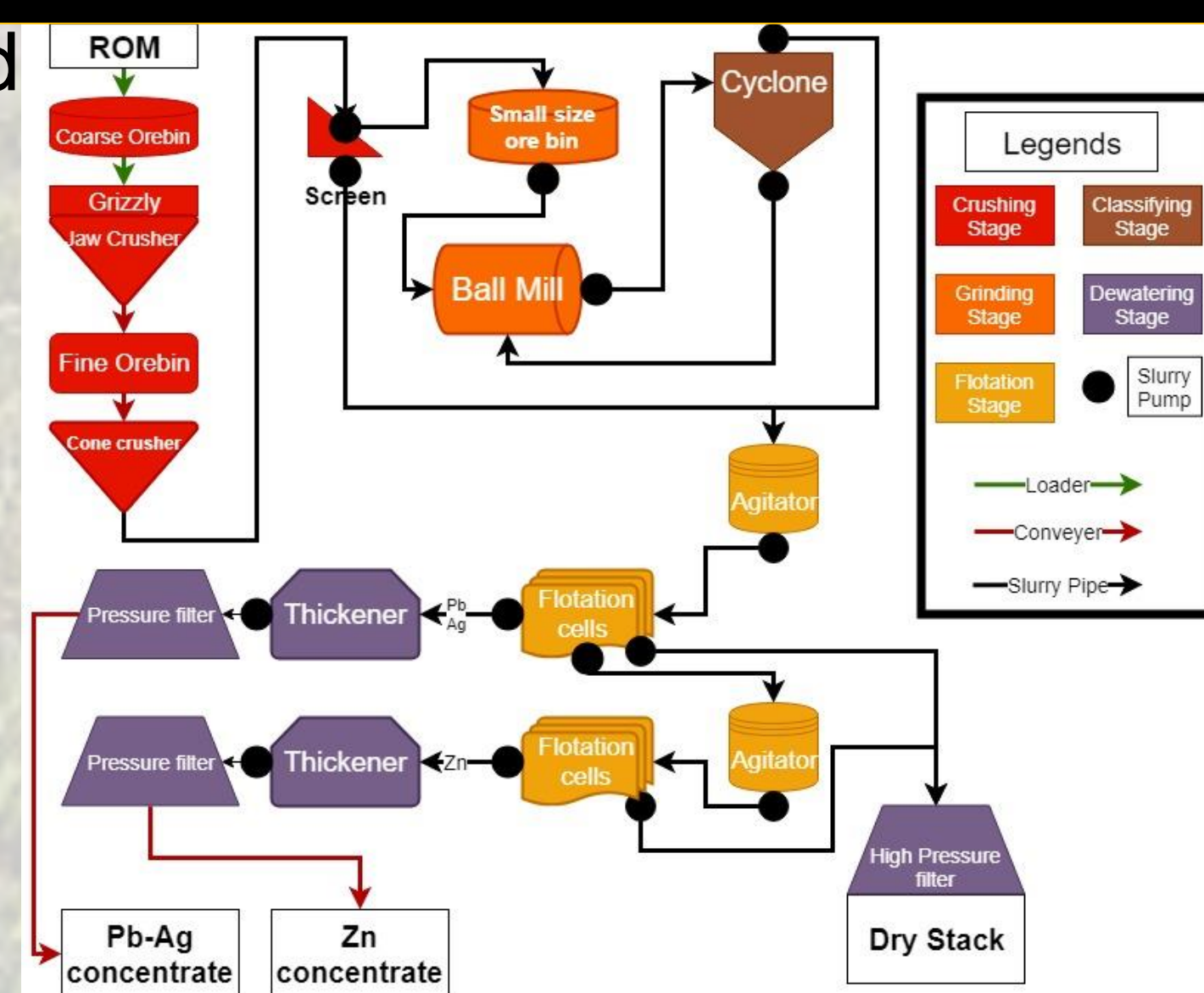


Mill Circuit

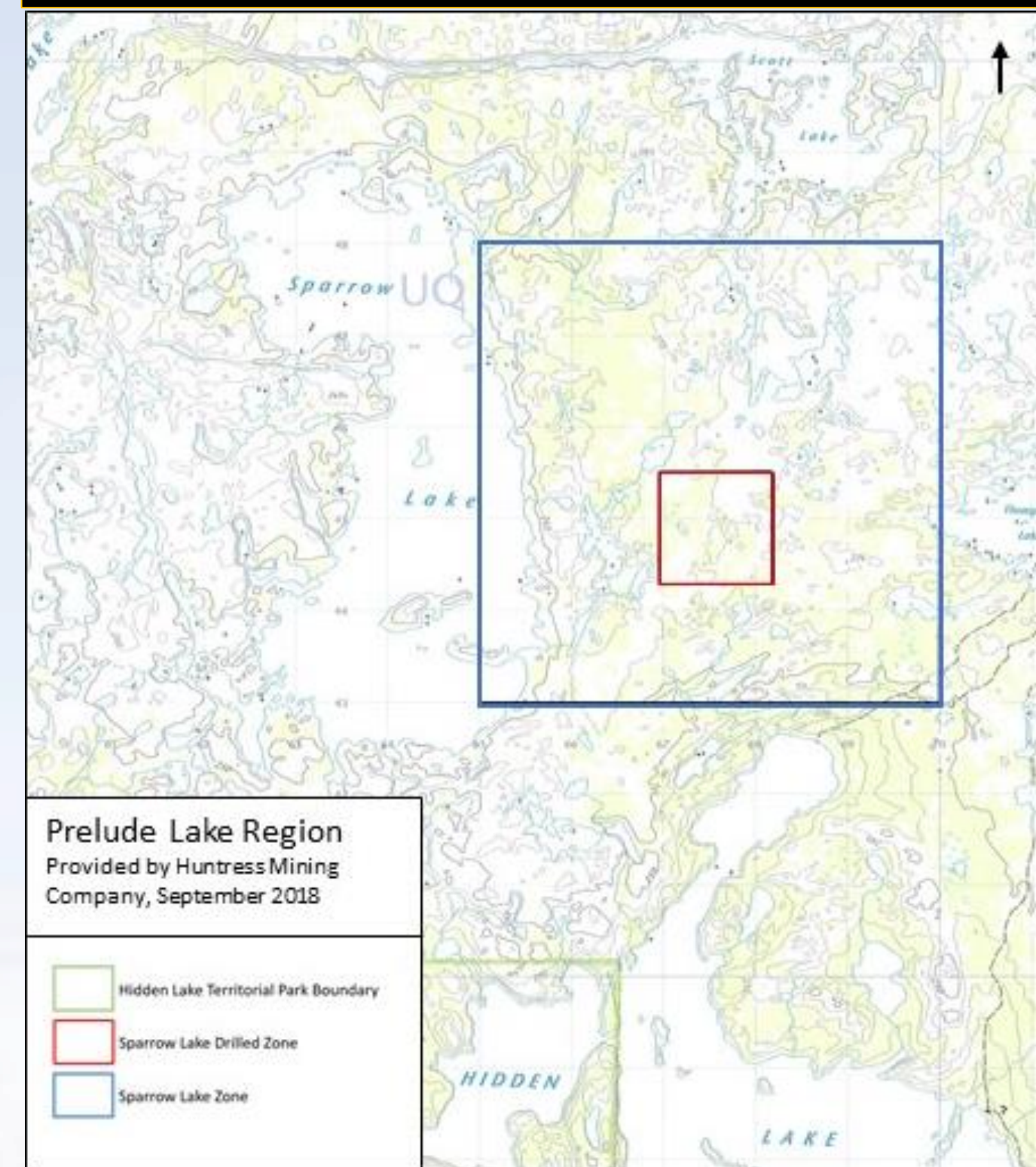
Mill feed rate begins at 5,000 tpd & is expanded to 10,000 tpd after year 13 of mining

2 Product Flotation:
 Pb concentrate: 66 %wt Pb, 2.5 %wt Zn, 394 g/t Ag
 Zn concentrate: 61 %wt Zn, 0.72 %wt Pb, 59 g/t Ag

	Pb	Zn	Ag
% Recovery	93.8	81.9	70.9

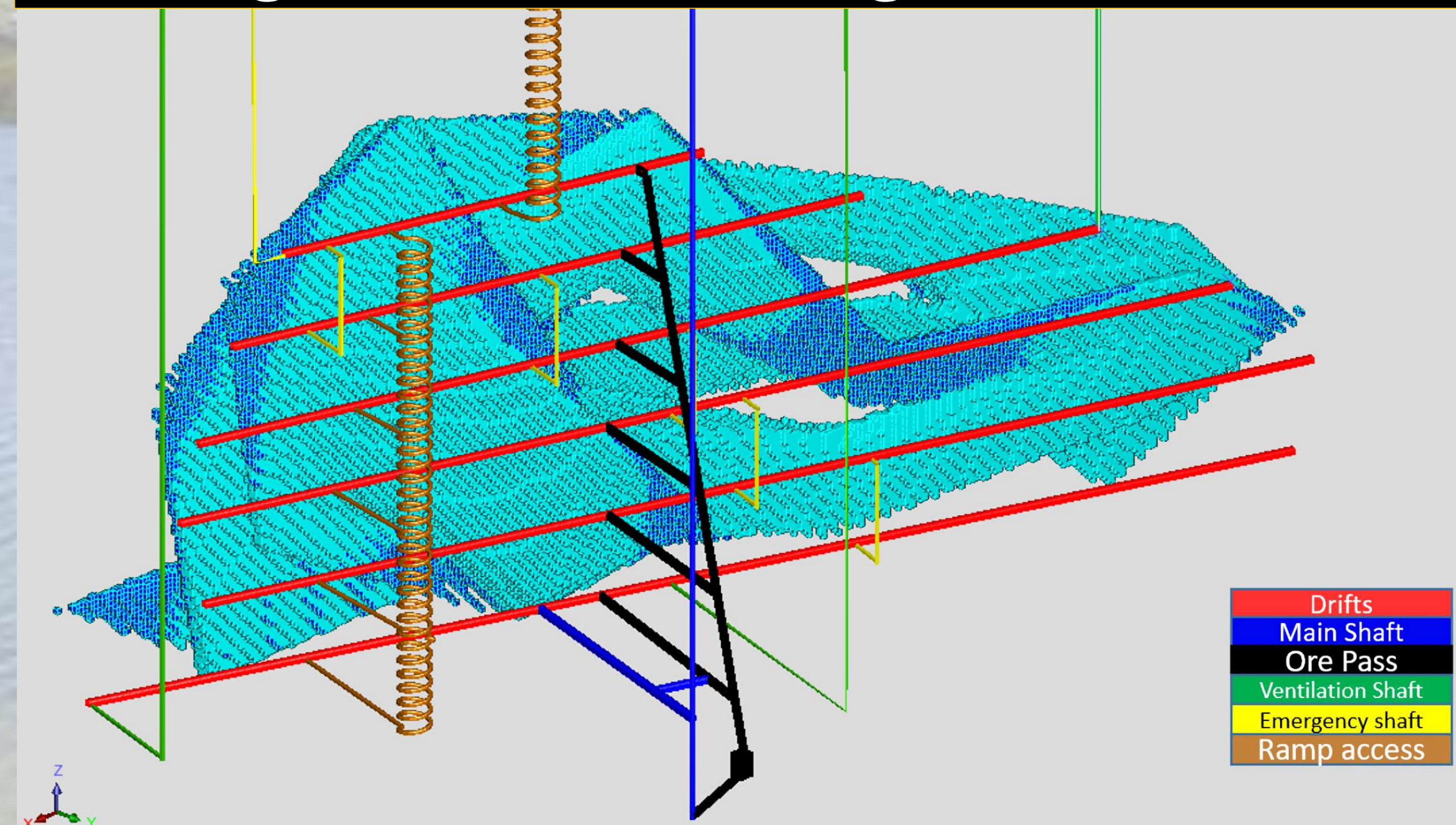


Location



77 km north-west of Yellowknife, NWT.
 Area is dominated by lakes and wetlands.
 Low relief in the claim block.
 Hidden Lake Territorial Park is located to the south.
 Site access by Hwy 4 extension.

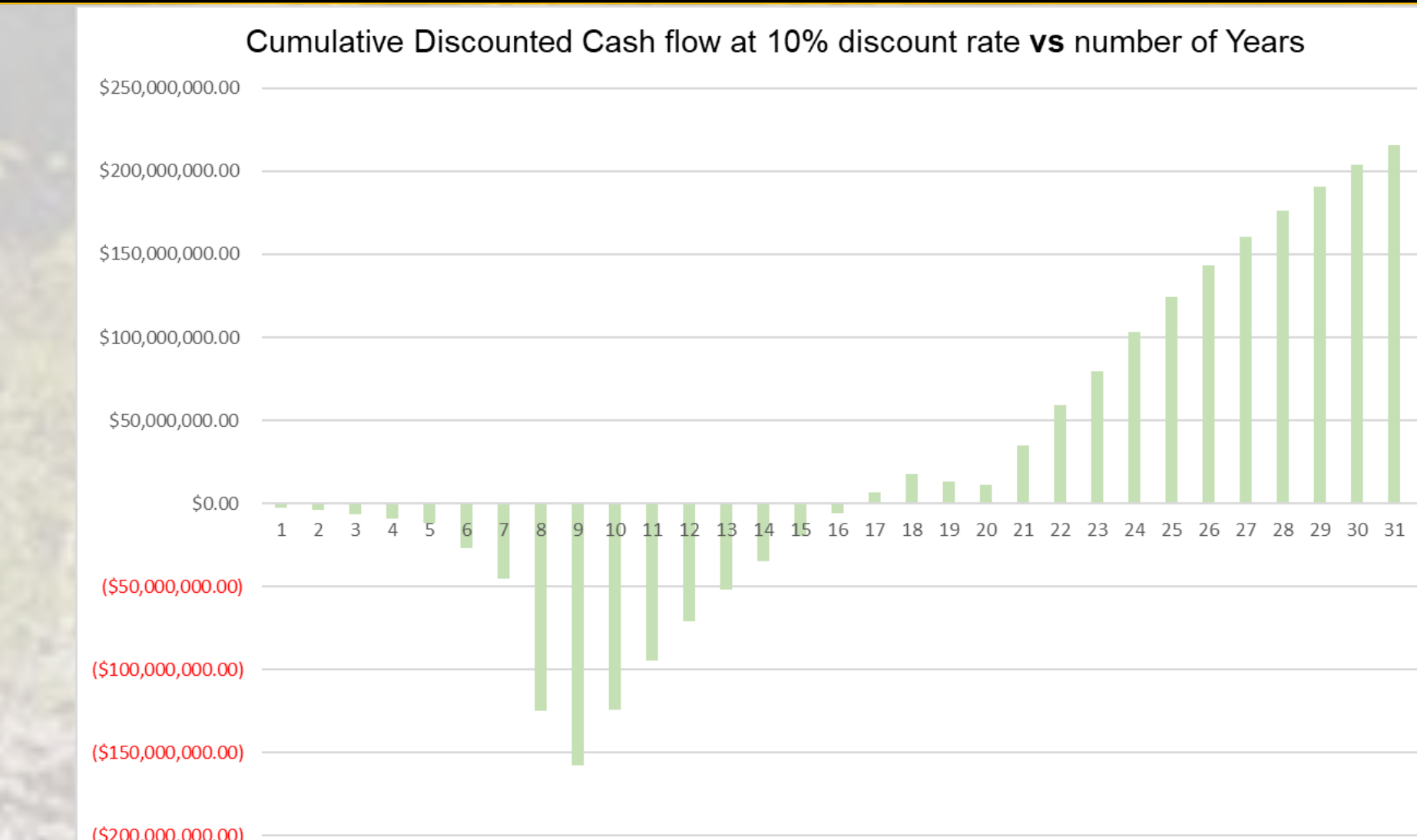
Underground Mine Design



Blasthole Open Stoping at 10,000 tpd beginning in year 14
 Stope dimensions: 30m x 30m x 85m
 7 stopes will be in production to meet 10,000 tpd
 30.4 Mt of ore produced by underground mine

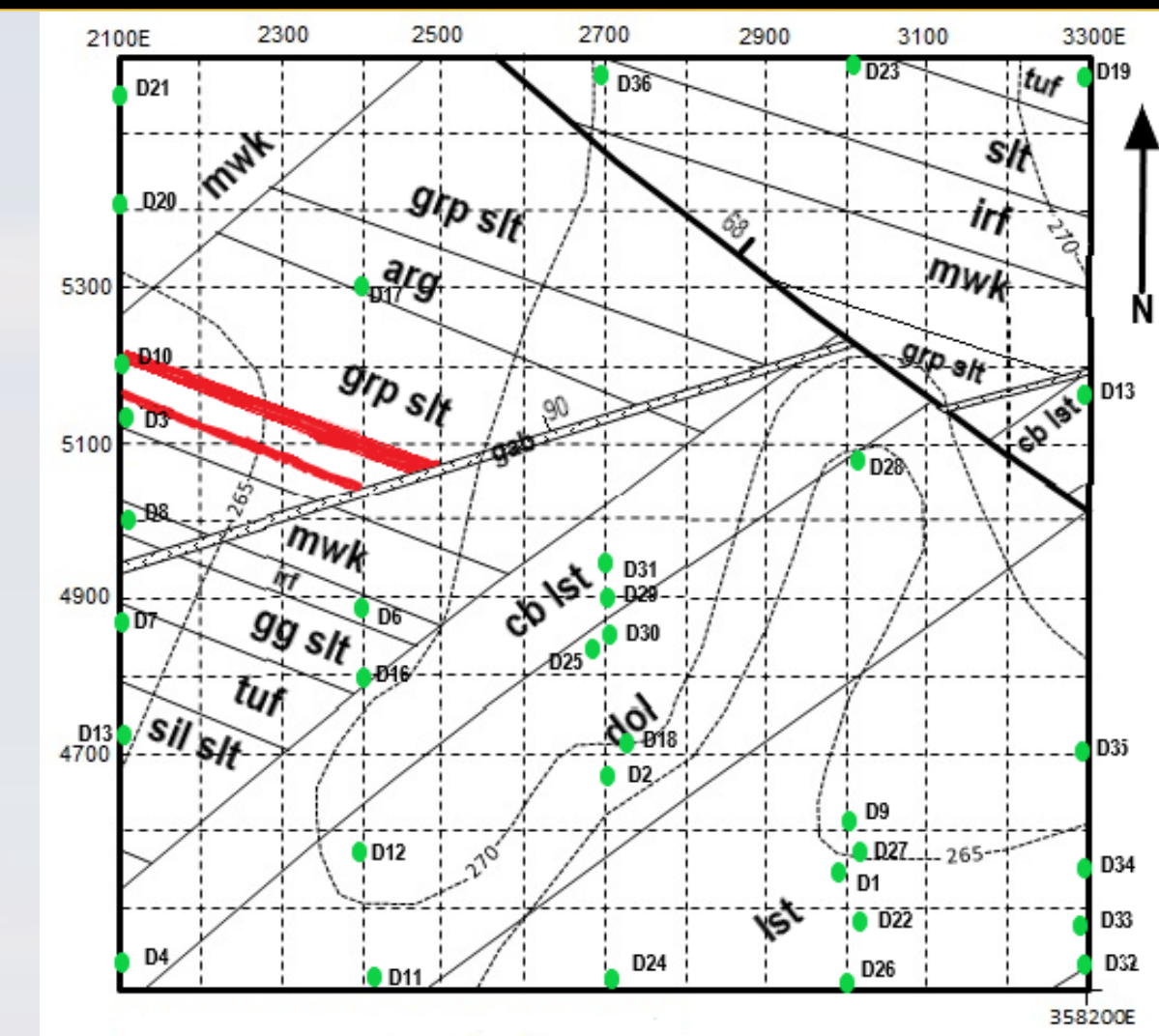
Preliminary Project Financial Models

NPV: \$208,749,000
 IRR: 19%
 Payback: Year 11
 Cumulative cash flow: \$3,454,000,000



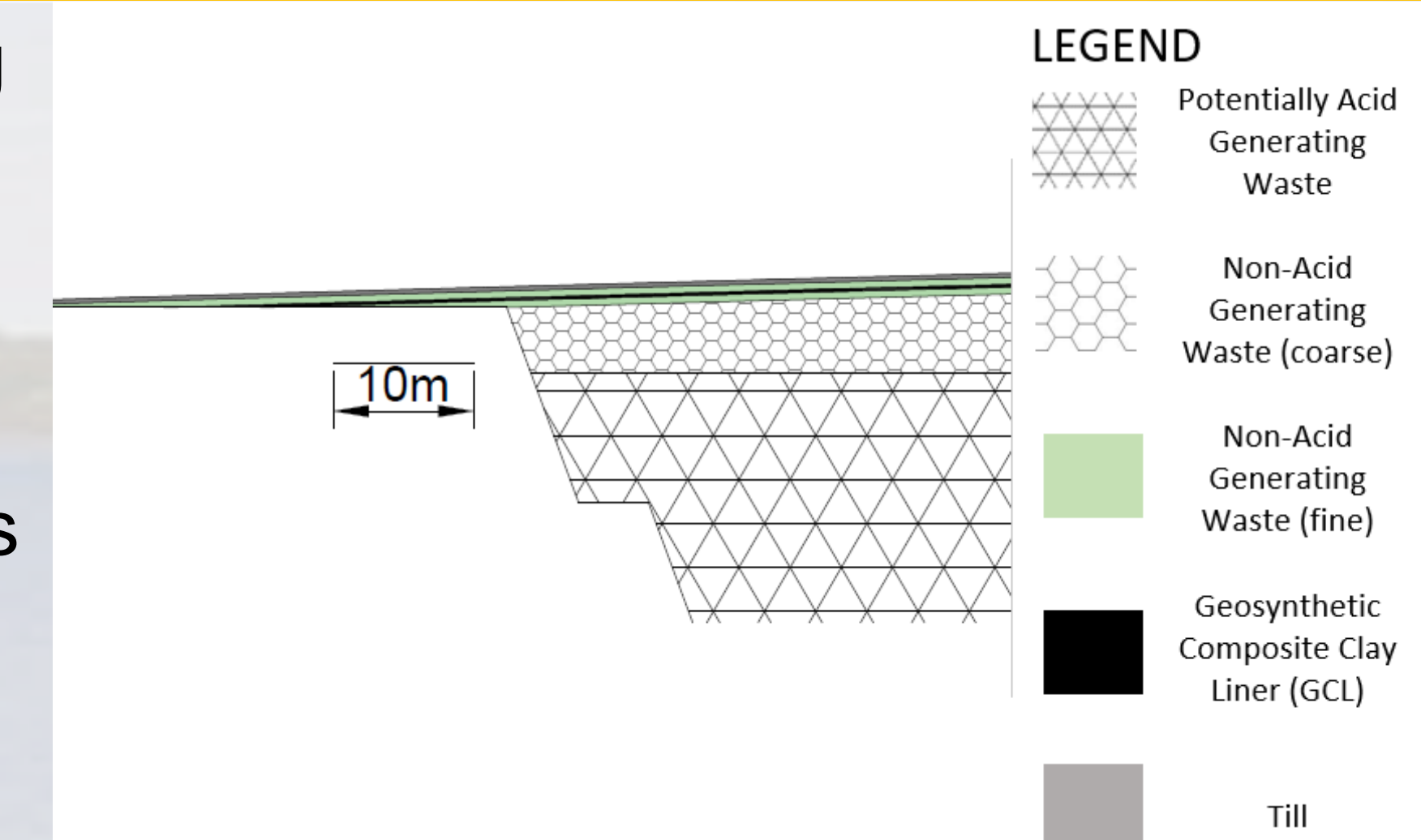
Geology

DDH's have shown mineralization in two zones.
 The deposit is in lenses hosted in graphitic slate.
 7 distinct lenses were identified, 3 near surface, and 4 deep.
 Grades of Pb, Zn, and Ag vary throughout the deposit, generally higher grade occurs at depth.

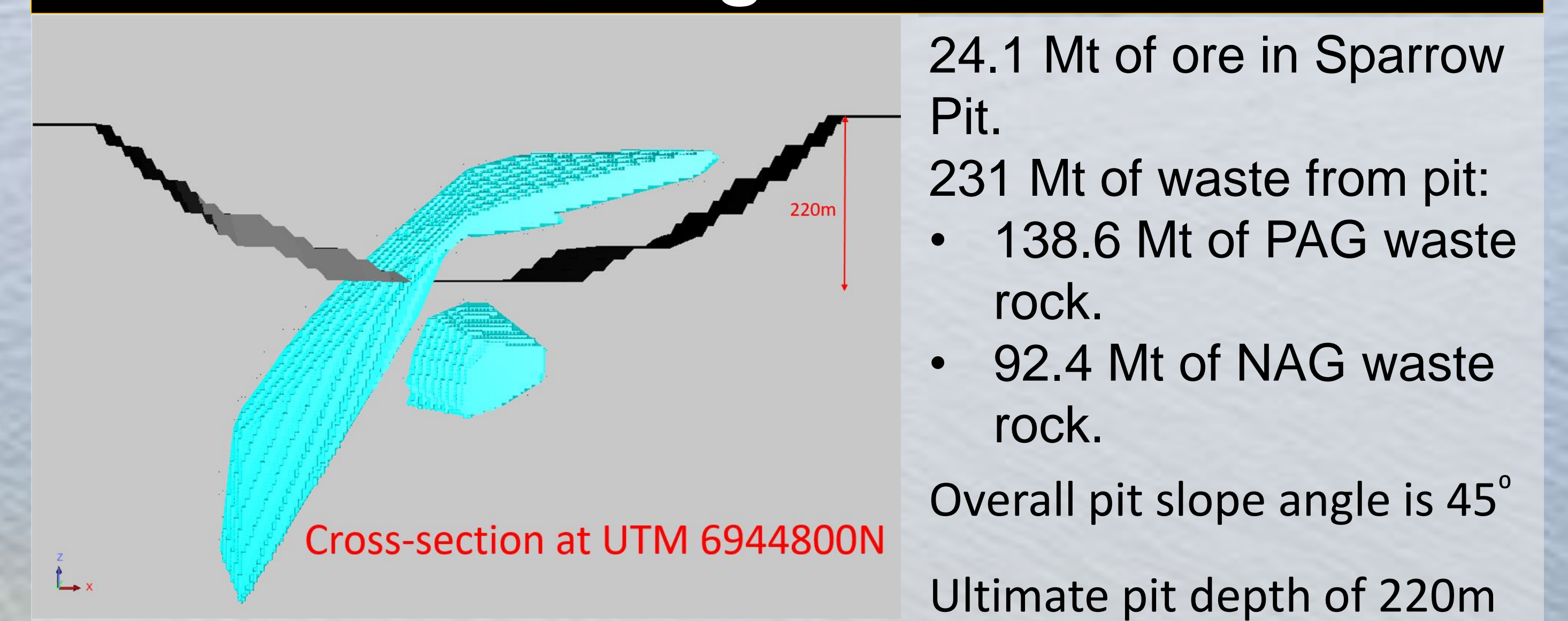


Reclamation and Closure

All PAG waste (including remaining tailings) are placed in pit with a dry cover.
 Wetland present in the north-west of the claim is expanded.



Surface Mine Design



Recommendations

- Expanded drilling and trenching program
- Bulk samples totalling 2000 tonnes
- Geophysical survey of potential mine site
- Explore acquisition of leases outside current claim
- Implement a pilot mill to determine optimum mill flotation
- Further consultation with Aboriginal groups
- Detailed design and costing of settling ponds
- Engage consultant with regards to permafrost centered design for shafts, raises and ramp