

Table 1.1 Burgin Extension Mineral Resources

Burgin Reported Resources – June 2011										
Class	Cutoff oz AgEq/ton	Tons	oz Ag/ton	oz Ag	oz Au/ton	oz Au	% Pb	lbs Pb	% Zn	lbs Zn
Indicated	5.0	920,000	7.28	6,694,000	0.025	23,000	9.27	170,461,000	3.45	63,497,000
Inferred	5.0	1,357,000	8.71	11,823,000	0.013	17,000	14.43	391,589,000	5.19	140,846,000

Note: rounding may cause apparent inconsistencies

Table 1.2 Estimated Concentrate Metal Recovery

Flotation Products	Weight	Assays			Recoveries		
	%	oz Ag/T	Pb %	Zn %	Ag %	Pb %	Zn %
Lead Concentrate	31.45	50	63	7.2	86.8	91.9	31.5
Zinc Concentrate	8	8	14	54	3.5	5.2	60
Final Zinc Tails	60.55	2.9	1.05	1.01	9.7	2.9	8.5
Totals	100	18.11	21.57	7.2	100	100	100

Table 1.3 Production Schedule

Year	Tons	oz Ag/t	% Pb	% Zn	NSR*
1	245.3	7.85	20.43	5.82	431
2	280.0	9.27	15.88	5.50	390
3	280.0	14.42	18.23	5.21	497
4	280.8	13.54	16.88	4.03	457
5	280.0	7.71	13.55	5.34	335
6	280.0	9.19	10.91	5.26	321
7	5.0	4.16	4.05	4.57	149

NSR based on \$17.50/oz Ag; \$0.76/lb Pb; and 0.70/lb Zn Prices and typical smelter schedules

Table 1.4 Burgin Capital Cost Estimate (\$000's)

Area	Year -3	Year -2	Year -1	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Totals
Mine	\$19,193.5	\$22,747.0	\$35,615.1	\$24,896.9	\$10,589.1	\$5,303.3	\$8,734.7	\$7,373.5	\$3,219.4		\$137,672.6
Process			\$11,270.5								\$11,270.5
Environmental	\$1,000.0	\$1,000.0								\$4,000.0	\$6,000.0
Infrastructure			\$500.0								\$500.0
Subtotal	\$20,193.5	\$23,747.0	\$47,385.6	\$24,896.9	\$10,589.1	\$5,303.3	\$8,734.7	\$7,373.5	\$3,219.4	\$4,000.0	\$155,443.1
Contingency (15%)	\$3,029.0	\$3,562.1	\$7,107.8	\$3,734.5	\$1,588.4	\$795.5	\$1,310.2	\$1,106.0	\$482.9	\$600.0	\$23,316.5
Totals	\$23,222.5	\$27,309.1	\$54,493.4	\$28,631.5	\$12,177.5	\$6,098.9	\$10,044.9	\$8,479.5	\$3,702.4	\$4,600.0	\$178,759.6

Table 1.5 Estimated Operating Cost

ITEM	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Totals
OPERATING COST (000's)								
Mine	\$24,556.6	\$28,171.4	\$28,573.9	\$28,926.3	\$29,544.4	\$30,149.6	\$541.5	\$171,144.3
Process	\$6,035.0	\$6,035.0	\$6,035.0	\$6,035.0	\$6,035.0	\$6,035.0	\$106.8	\$36,316.8
G & A	\$2,834.0	\$2,834.0	\$2,834.0	\$2,834.0	\$2,834.0	\$2,834.0	\$50.1	\$17,054.1
Totals	\$33,425.6	\$37,040.4	\$37,442.9	\$37,795.3	\$38,413.4	\$39,018.6	\$698.5	\$224,515.3
\$/ton ore	\$136.28	\$132.29	\$133.72	\$134.60	\$137.19	\$139.35	\$140.97	\$135.99
\$/oz silver recovered	\$19.98	\$16.41	\$10.67	\$11.44	\$20.47	\$17.45	\$38.97	\$15.09
\$/ eq silver oz payment	\$6.08	\$6.46	\$5.07	\$5.53	\$7.83	\$8.19	\$17.87	\$6.38
Note: eq silver oz payment is each \$23 payment by smelter								

Table 1.6 Burgin PEA Cash Flow

ITEM	Year -3	Year -2	Year -1	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Totals
Tons Ore				245,264	280,000	280,000	280,800	280,000	280,000	4,955	1,651,019
oz Ag/t				7.85	9.27	14.42	13.54	7.71	9.19	4.16	10.37
oz Au/t				0.019	0.009	0.003	0.014	0.031	0.036	0.001	0.019
% Zn				5.82	5.50	5.21	4.03	5.34	5.26	4.57	5.18
% Pb				20.43	15.88	18.23	16.88	13.55	10.91	4.05	15.85
REVENUE											
Lead Conc Revenue				\$94,524.0	\$100,303.6	\$134,685.7	\$126,076.7	\$84,538.4	\$83,500.7	\$617.2	\$624,246.5
Zinc Conc Revenue				\$8,808.8	\$9,892.5	\$10,549.8	\$8,680.8	\$9,326.9	\$9,520.4	\$135.8	\$56,915.1
Total Revenue				\$103,332.8	\$110,196.1	\$145,235.5	\$134,757.6	\$93,865.3	\$93,021.1	\$753.1	\$681,161.5
OPERATING COST											
Mine				\$24,556.6	\$28,171.4	\$28,573.9	\$28,926.3	\$29,544.4	\$30,149.6	\$541.5	\$171,144.3
Process				\$6,035.0	\$6,035.0	\$6,035.0	\$6,035.0	\$6,035.0	\$6,035.0	\$106.8	\$36,316.8
G & A				\$2,834.0	\$2,834.0	\$2,834.0	\$2,834.0	\$2,834.0	\$2,834.0	\$50.1	\$17,054.1
Totals				\$33,425.6	\$37,040.4	\$37,442.9	\$37,795.3	\$38,413.4	\$39,018.6	\$698.5	\$224,515.3
Pretax Profit				\$69,907.2	\$73,155.7	\$107,792.7	\$96,962.2	\$55,451.9	\$54,002.5	\$54.6	\$457,326.8
Capital Cost	\$23,222.5	\$27,309.1	\$54,493.4	\$28,631.5	\$12,177.5	\$6,098.9	\$10,044.9	\$8,479.5	\$3,702.4	\$4,600.0	\$178,759.6
Working Capital				\$8,356.4						(\$8,356.4)	0
Cashflow	(\$23,222.5)	(\$27,309.1)	(\$54,493.4)	\$32,919.4	\$60,978.2	\$101,693.8	\$86,917.3	\$46,972.4	\$50,300.1	\$3,811.0	\$278,567.2
Cumulative Cashflow	(\$23,222.5)	(\$50,531.6)	(\$105,025.1)	(\$72,105.7)	(\$11,127.5)	\$90,566.4	\$177,483.6	\$224,456.1	\$274,756.2	\$278,567.2	
NPV 5%										\$185,112.9	
NPV 8%										\$144,628.7	
IRR										37.79%	

Figure 1.1 NPV (5%) Sensitivity (\$000'S)

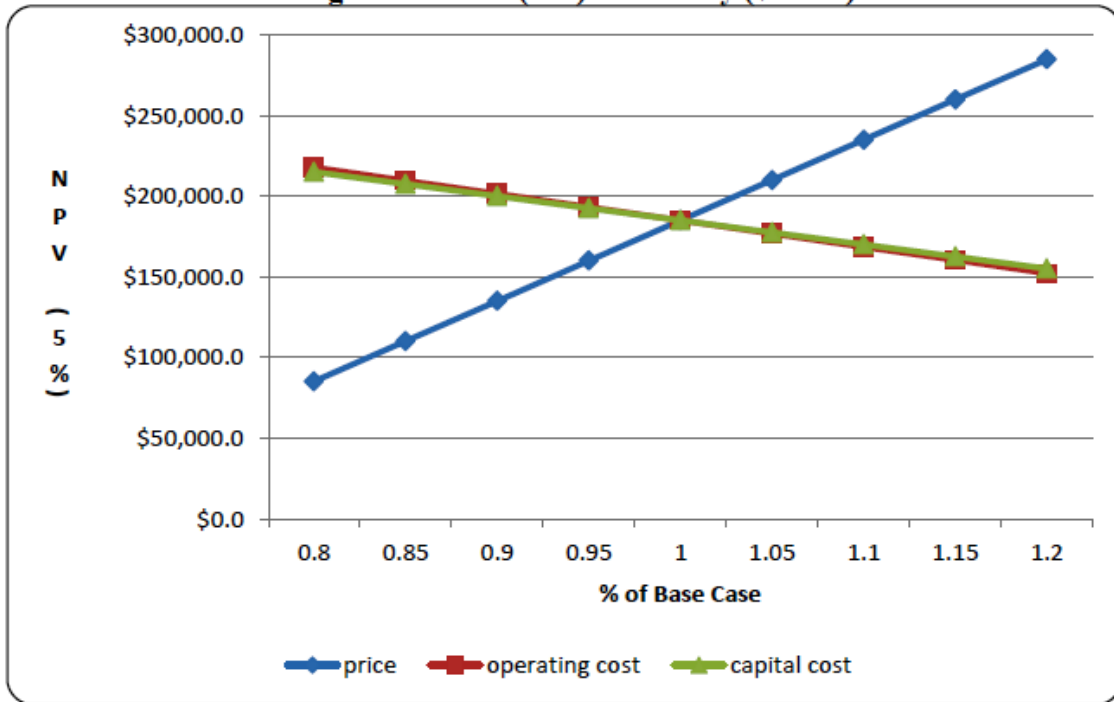


Figure 1.2 IRR Sensitivity

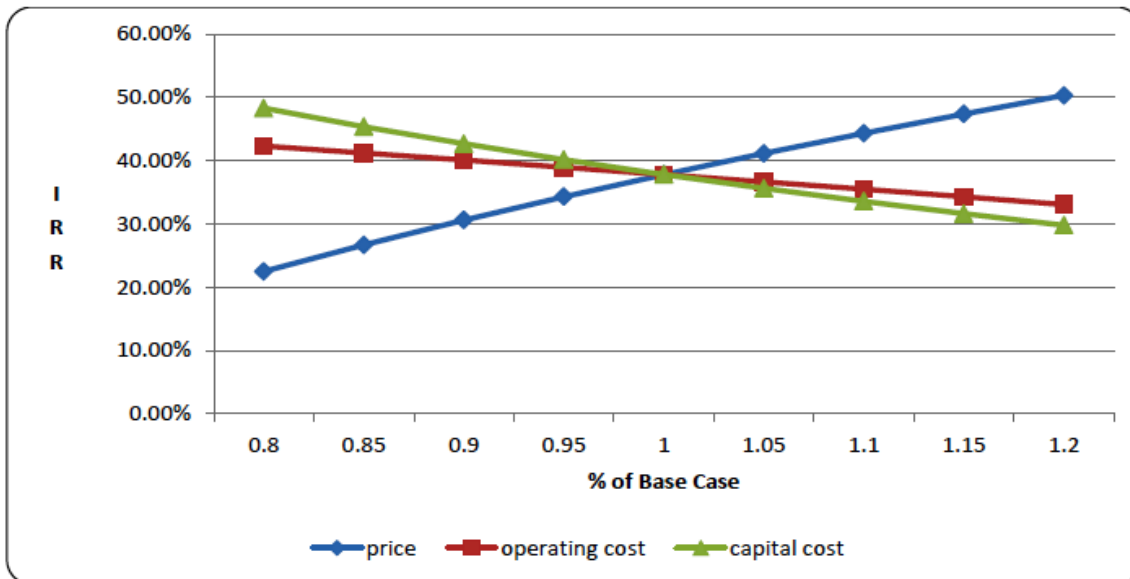


Table 1.8 Project Sensitivity to Metal Prices

% of Base Case	Cashflow	NPV 8%	NPV 5%	IRR	\$/oz Ag	\$/lb Pb	\$/lb Zn
80%	\$142,334.9	\$60,889.0	\$85,221.5	22.45%	\$18.40	\$0.72	\$0.69
85%	\$176,393.0	\$81,824.0	\$110,194.4	26.65%	\$19.55	\$0.77	\$0.73
90%	\$210,451.1	\$102,758.9	\$135,167.2	30.58%	\$20.70	\$0.81	\$0.77
95%	\$244,509.2	\$123,693.8	\$160,140.1	34.28%	\$21.85	\$0.86	\$0.82
100%	\$278,567.2	\$144,628.7	\$185,112.9	37.79%	\$23.00	\$0.90	\$0.86
105%	\$312,625.3	\$165,563.6	\$210,085.7	41.12%	\$24.15	\$0.95	\$0.90
110%	\$346,683.4	\$186,498.5	\$235,058.6	44.31%	\$25.30	\$0.99	\$0.95
115%	\$380,741.5	\$207,433.4	\$260,031.4	47.36%	\$26.45	\$1.04	\$0.99
120%	\$414,799.5	\$228,368.3	\$285,004.2	50.30%	\$27.60	\$1.08	\$1.03
130%	\$482,915.7	\$270,238.1	\$334,949.9	55.86%	\$29.90	\$1.17	\$1.12