

OPEN PIT WITH UNDERGROUND OPTION – SUMMARY OF CASH FLOW AND FINANCIALS

Option 2	Open pit plus Underground	Units	Total	Year - 2	Year -1	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14
Mining	Open Pit Ore	Mt	16.47			1.07	1.07	1.08	1.07	1.07	1.07	1.15	1.15	1.15	1.15	1.15	1.53	1.72	1.02
	Ni Grade	%	0.79			1.33	1.32	1.11	1.03	0.58	0.73	0.90	0.86	0.97	0.78	0.81	0.43	0.27	0.27
	Cu Grade	%	0.19			0.33	0.27	0.29	0.25	0.16	0.19	0.20	0.20	0.21	0.19	0.19	0.12	0.09	0.09
	Waste Mined	Mt	125.80	-	12.09	12.20	17.45	18.40	25.79	13.61	8.99	17.14	0.13	-	-	-	-	-	-
	Total Tonnes Mined	Mt	142.28	-	12.09	13.28	18.52	19.48	26.86	14.69	10.06	18.29	1.28	1.15	1.15	1.15	1.53	1.72	1.02
	Stripping Ratio	Mt	5.9		5.3	5.3	10.4	25.9	11.1	5.2	3.1	5.7	0.1						
	Underground - Ore	%	4.67						0.01	0.32	0.63	0.70	0.70	0.69	0.70	0.62	0.29		
	Ni Grade	%	1.3						1.30	1.07	1.27	1.39	1.36	1.67	1.14	1.27	1.27		
	Cu Grade	Mt	0.3						0.27	0.27	0.30	0.29	0.28	0.31	0.25				
	Total Ore	%	21.15			1.07	1.07	1.08	1.09	1.40	1.70	1.85	1.85	1.84	1.85	1.77	1.82	1.72	1.02
	Ni Grade	%	0.79			1.33	1.32	1.11	1.03	0.58	0.73	0.90	0.86	0.97	0.78	0.81	0.43	0.27	0.27
	Cu Grade	Mt	0.19			0.33	0.27	0.29	0.25	0.16	0.19	0.20	0.20	0.21	0.19	0.19	0.12	0.09	0.09
Processing	Mill Recovery																		
	Ni recovery	%	79.7			78.7	66.1	74.2	82.3	79.7	84.4	86.9	83.9	84.5	83.0	82.8	75.1	61.4	61.4
	Cu recovery	%	83.6			83.2	70.3	74.6	82.6	84.8	89.0	90.4	87.5	87.8	86.9	87.0	81.7	74.0	74.0
	Metal recovered																		
	Ni Metal	t	133,161			11,254	9,383	8,893	9,255	6,435	10,506	14,544	13,419	15,169	11,914	11,823	5,931	2,912	1,722
	Cu Metal	t	33,672			2,963	2,018	2,322	2,243	1,848	2,806	3,418	3,192	3,404	3,015	2,909	1,742	1,127	667
	Concentrate	DMT	821,223			63,162	53,733	50,302	51,981	37,146	59,738	81,520	90,400	101,047	82,962	78,685	37,197	20,956	12,393
	Ni Metal	%	16.2			17.8	17.5	17.7	17.8	17.3	17.6	17.8	14.8	15.0	14.4	15.0	15.9	13.9	13.9
	Cu Metal	%	4.1			4.7	3.8	4.6	4.3	5.0	4.7	4.2	3.5	3.4	3.6	3.7	4.7	5.4	5.4
Revenue	Metal Prices																		
	Ni Price	USD/MT	20,826			20,826	20,826	20,826	20,826	20,826	20,826	20,826	20,826	20,826	20,826	20,826	20,826	20,826	20,826
	Cu Price	USD/MT	7,976			7,976	7,976	7,976	7,976	7,976	7,976	7,976	7,976	7,976	7,976	7,976	7,976	7,976	7,976
Payability	Payable Ni	%				17.8	17.5	17.7	17.8	17.3	17.6	17.8	14.8	15.0	14.4	15.0	15.9	13.9	13.9
	Payable CU	%				4.7	3.8	4.6	4.3	5.0	4.7	4.2	3.5	3.4	3.6	3.7	4.7	5.4	5.4
	Concentrate Revenue																		
	Ni Revenue	USD/DMT				2,854	2,790	2,829	2,852	2,766	2,813	2,858	2,332	2,361	2,248	2,363	2,523	2,169	2,169
	Cu Revenue	USD/DMT				131	105	129	120	139	131	117	99	94	101	103	131	150	150
	Total	USD/DMT				2,985	2,895	2,958	2,972	2,905	2,944	2,975	2,430	2,455	2,350	2,466	2,653	2,319	2,319
	Total Gross Revenue	USD/M	2,206.4			188.5	155.6	148.8	154.5	107.9	175.9	242.5	219.7	248.0	195.0	194.1	98.7	48.6	28.7
	Less Charges	USD/M	-131.76			-10.24	-8.71	-8.16	-8.43	-6.02	-9.69	-13.22	-14.35	-16.07	-13.10	-12.52	-5.99	-3.30	-1.95
	Gross Revenue Less Charges	USD/M	2,074.7			178.3	146.9	140.6	146.1	101.9	166.2	229.3	205.3	232.0	181.8	181.5	92.7	45.3	26.8
	Less Royalty	USD/M	-88.26			-7.54	-6.22	-5.95	-6.18	-4.32	-7.03	-9.70	-8.79	-9.92	-7.80	-7.76	-3.95	-1.94	-1.15
	Net Smelter Return	USD/M	1,986.4			170.75	140.63	134.69	139.88	97.56	159.13	219.61	196.54	222.05	174.05	173.78	88.76	43.35	25.64
	FOB Value per tonne concentrate	USD/t				2,699	2,616	2,674	2,687	2,625	2,661	2,690	2,190	2,212	2,116	2,223	2,394	2,088	2,088
	Nickel Payability	%				76.9	76.7	76.8	76.9	76.7	76.8	76.9	75.4	75.5	75.2	75.5	76.0	74.9	74.9
Operating costs	Mining - Open Pit	USD/tore				26.97	38.22	39.36	62.21	38.39	29.63	38.68	1.20	0.29	0.29	0.29	0.29	0.29	0.29
	Mining - Underground	USD/tore						57.08	57.08	57.08	57.08	57.08	57.08	57.08	57.08	57.08	57.08	57.08	57.08
	Processing	USD/tore				12.78	12.78	12.77	12.89	15.23	16.79	18.53	18.57	18.51	18.56	18.02	13.79	11.85	13.00

Option 2	Open pit plus Underground	Units	Total	Year - 2	Year - 1	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14
	G & A	USD/tore				11.58	11.58	11.55	11.58	11.58	12.16	11.32	11.35	11.35	11.35	11.32	8.51	7.57	7.91
	Mining - Open Pit	USD	300.3			28.94	41.02	42.35	66.76	41.19	31.80	44.59	1.38	0.33	0.33	0.33	0.44	0.50	0.29
	Mining - Underground	USD	266.6						0.80	18.38	35.96	40.01	40.07	39.55	39.95	35.33	16.55		
	Processing	USD	250.3			13.71	13.71	13.74	13.83	16.34	18.02	21.37	21.35	21.29	21.34	20.78	21.14	20.43	13.26
	G & A	USD	174.6			12.43	12.43	12.43	12.43	12.43	13.05	13.05	13.05	13.05	13.05	13.05	13.05	13.05	8.07
	Total Operating Costs	USD	991.8			55.09	67.16	68.52	93.82	88.35	98.83	119.02	75.85	74.22	74.67	69.49	51.19	33.98	21.62
	Unit operating Cost	USD/t ore	46.9			51.33	62.59	120.76	143.76	122.28	115.67	125.61	88.20	87.23	87.28	86.71	79.67	19.70	21.19
	Operating Cash Flow	USD	994.6			115.67	73.47	66.17	46.07	9.22	60.30	100.60	120.70	147.83	99.38	104.29	37.58	9.37	4.02
	Nickel Production	t/a	133,161			11,254	9,383	8,893	9,255	6,435	10,506	14,544	13,419	15,169	11,914	11,823	5,931	2,912	1,722
	Nickel Production	'000lb/a	293,486			24,805	20,679	19,601	20,399	14,183	23,155	32,056	29,575	33,433	26,258	26,059	13,072	6,417	3,795
	C1 Cost (contained Ni)	USD/lb	3.81			2.60	3.70	3.88	5.01	6.59	4.65	4.13	3.05	2.71	3.32	3.13	4.30	5.62	6.02
	C1 Cost(Payable Ni)	USD/lb	5.00			3.39	4.82	5.06	6.51	8.60	6.06	5.37	4.04	3.59	4.41	4.15	5.67	7.50	8.04
CapitalCost	Mining	USD	157.9	4.70	29.80			36.79	22.10	15.77	13.20	10.60	8.76	9.20	6.96				
	Processing Plant	USD	86.6	20.15	51.91			5.81	14.04										-5.36
	Sustaining	USD	37.7			1.50	4.00	4.00	3.50	3.20	3.20	3.20	3.20	3.10	2.20	2.20	2.20	2.20	
	Infrastructure	USD	58.0	25.60	25.60			3.40	3.40										
	Tailings Storage Facility	USD	7.1		7.10														
	Environmental	USD	15.0																15.00
	Initial Owner's Cost	USD	51.0	20.57	30.40														
	Expansion Capital	USD	18.9					8.11	10.83										
	Working Capital	USD			9.18	2.01	0.23	4.22	-0.91	1.75	3.36	-7.19	-0.27	0.08	-0.86	-3.05	-2.87	-2.06	-3.60
	Total Capital Expenditure	USD	432.1	71.0	154.0	3.5	4.2	62.3	53.0	20.7	19.8	6.6	11.7	12.4	8.3	-0.8	-0.7	0.1	6.0
CashFlow	Revenue	USD	2,074.7			178.29	146.85	140.64	146.06	101.88	166.16	229.32	205.33	231.97	181.85	181.54	92.71	45.29	26.79
	Less Operating Costs	USD	-991.8			-55.09	-67.16	-68.52	-93.82	-88.35	-98.83	-119.02	-75.85	-74.22	-74.67	-69.49	-51.19	-33.98	-21.62
	Less Royalties	USD	-88.3			-7.54	-6.22	-5.95	-6.18	-4.32	-7.03	-9.70	-8.79	-9.92	-7.80	-7.76	-3.95	-1.94	-1.15
	Less Tax	USD	-156.5										-14.31	-32.64	-41.29	-26.59	-28.70	-10.74	-2.24
	Less Capital Cost	USD	-432.1		-71.02	-153.99	-3.51	-4.23	-62.33	-52.95	-20.72	-19.76	-6.61	-11.68	-12.37	-8.29	0.85	0.67	-0.14
	Less Profit Payable to Minority Interest	USD																	
	Cash flow	USD	406.0		-71.02	-153.99	112.15	69.24	3.84	-6.88	-11.51	40.54	79.68	76.37	94.17	64.50	76.44	27.50	6.98
	Cumulative Cash flow	USD			-71.02	-225.00	-112.85	-43.60	-39.77	-46.65	-58.16	-17.62	62.07	138.44	232.61	297.10	373.54	401.05	408.03