

Nov. 27, 2020

### **Nevada Copper**

A binary investment copper play that is either worth \$0 or over a \$1 billion. I'm betting on the billion and we will find out quickly.

### **Price of Copper**

The price of copper has rebounded strongly from the April lows of \$2.20. The current price has transformed marginal copper plays into viable copper plays providing the price sticks. However, it takes time to move copper projects into copper producing entities. In the meantime, I would not be surprised if copper prices surge higher. [Copper Faces Struggle To Keep Up With Growing Demand](#)

The bear market in copper prices since 2011 has led to constrained supply. Exploration and mine development projects were shelved. This meets the present where the demand for copper is strong. The green movement has a thirst for copper and the electrification of the world accelerates. There are more Teslas on the road than ever before. This is merely one example of the electrification of the world.

We currently have constrained supply with accelerating demand, and we enter a Covid endpoint. It is hard to imagine downward trends in copper prices in the near and midterm until more supply enters the market. Supply is harder to find. It looks like the Pebble copper deposit in Alaska is a no go.

### **About Nevada Copper**

Nevada Copper owns the mineral rights to nearly 17,500 contiguous acres known as Pumpkin Hollow. Pumpkin Hollow has an underground mine and a strip mine and many acres in various stages of exploration. The underground mine is currently producing and the strip mine is expected to produce in 2023 once financing is arranged. They have owned the grey area for quite some time and staked additional claims in 2019 shown as the blue area shown in the appendix. The area around the property is replete with copper mines.

The underground mine had recent engineering and equipment trouble that have been worked out and Covid forced a cease in operations. The Covid closure was dagger-like and we aren't yet certain the wound isn't fatal. Pre-Covid, they expected to be extracting and milling at maximum capacity of 5,000 tons per day by now. This has been pushed back to the first quarter of 2021. Both the mine and mill are currently operating and likely extracting and milling 3,000 tons of ore per day.

Nevada Copper plans for the open pit mine to be in production in 2023. They need to raise between \$500U to \$700U million for capital expenditure to develop the mine. The working capital deficit needs to be under control before financing negotiations can begin.

Nevada Copper recently hired a new CEO.

Their share count has increased dramatically over the years. Their current market capitalization is \$164C million even with an \$.11 share price.

### **Unloved**

Nevada Copper is unloved. The share price peaked at \$5.70 in May 2011 and closed recently below \$.1 and currently trades at \$.11. Nevada Copper has become a swear word for many investors and they

won't touch the stock with a 10-foot pole. Whether the company or the price of copper is to blame is unclear, but the hate creates opportunity.

### **What is Pumpkin Hollow?**

Pumpkin Hollow is a 17,297-acre property. If we divide the property into the grey zone and blue zone using the diagram below, we get a better sense of the scope. The grey zone comprises the underground mine and the open pit mine and areas in various stages of exploration. The blue zone is solely in various stages exploration.

### **What is Proven & Probable?**

The underground mine has a deposit of ore Proven and Probable at 24 Mst with a 1.74% Cu equivalent grade and a mine life of 13.5 years. The mine and mill are producing and the company targets lifting and milling 5,000 tons per day by Q1 2021. Tentative plans are to increase daily production in the future with additional capital spending. This is dependant on expanding underground mine ore estimates.

The strip mine has a deposit of ore Proven & Probable of 386 Mst of .47% Cu. The company targets production starting in 2023 with capital spending of approximately \$670 million between now and then.

### **What is the value of the Proven & Probable?**

We calculate the net present value of approximately \$1.59C billion using a discount rate of 9% and a copper price of \$3.20 (See appendix). The current price of copper (Nov 27, 2020) is \$3.42. Credits on the underground mine are included and not included on the strip mine. We use a relatively low tax rate because Nevada Copper has significant accumulated tax loss. They won't pay much tax in the first 5 years.

### **What is the value of Nevada Copper?**

\$1.59C billion less current debt is \$1.45C billion. The current market capitalization of Nevada Copper is around \$200C million. The current market capitalization of Nevada Copper is 14% of Net Present Value.

And (and this is a big and) we are ignoring all the Measured, Indicated, & Inferred ore (see appendix) and all exploration activity.

### **Nevada Copper - Why the low valuation?**

Bankruptcy is a short-term concern. There is a serious working capital deficit as of Sep 30, 2020 financial statements. The longer-term concern is that Nevada Copper will not be able to finance the strip mine. I think both fears are overblown, especially at +\$3.00 / lb copper.

Many investors have lost money on Nevada Copper in the last nine years. This creates hate, and hate creates opportunity.

### **What headline do we want to see in the near term?**

"Extraction and milling on the underground mine is currently 3,500 tons per day and ramps to 5,000 tons per day by mid Q1".

### **Honourable Mentions**

The state of Nevada is one of the most mine-friendly jurisdictions on the planet.

The exciting potential is what they find through exploration efforts. They are situated in a copper rich zone.

### **Risk of Bankruptcy**

As of Sept. 30, 2020, the working capital (current assets – current liabilities) deficit is \$103 million. This problem will resolve itself quickly, one way or another. My bet is that the current ramp in production and trend in copper prices will bail them out. Lenders will pay up a small percentage more to avoid the possibility of a substantial loss through bankruptcy. Nevada Copper has three sources of quick funding.

1. Creditors have supplied \$38,000,000 of short-term liquidity since 3<sup>rd</sup> quarter end.
2. Stockpiled ore extracted pre-Covid shutdown amounted to 164,000 tons on August 19<sup>th</sup>. At a .40% Cu equivalent grade and \$5,000 per ton average price of copper, we estimate this provided a \$3.6 mil pre-tax cash injection after adding back the previously sunk cost to mine the ore.
3. The company is quickly moving towards extracting and milling 4,000 tons per day. At a 1.25% Cu equivalent grade and \$6,400 per ton, pre-tax operating cash flow is around \$160,000 per day. Moving production to 5,000 tons per day provides \$200,000 per day.

A current liability is defined as amounts owed to creditors within one year. For simplicity, we assume all current liabilities come due at the end of Q1 2021, 6 months after end of Q3 2020. We show the working capital deficit declines to around \$33 million by end of Q1 2021 (see appendix). We believe that bankruptcy concerns are serious but will be overcome. Daily hoisting and milling will provide ongoing partial payment to creditors and satisfy them that the most profitable course of action for all is to keep Nevada Copper a going concern. This is especially true given the recent up-trend in copper price.

Disclosure:

I am long Nevada Copper.

Appendix:

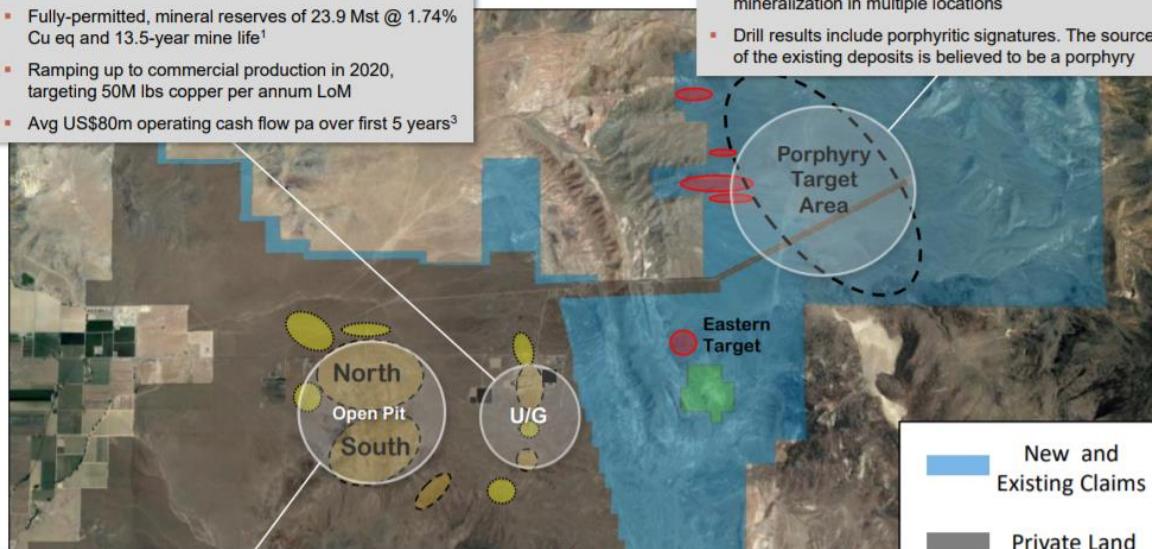
Numbers below. All charts and tables taken from company presentation or the Jan 2019 PFS study available on company website or SEDAR.

# THE PUMPKIN HOLLOW COPPER PROJECT

NEVADA COPPER

## UNDERGROUND MINE

- Fully-permitted, mineral reserves of 23.9 Mst @ 1.74% Cu eq and 13.5-year mine life<sup>1</sup>
- Ramping up to commercial production in 2020, targeting 50M lbs copper per annum LoM
- Avg US\$80m operating cash flow pa over first 5 years<sup>3</sup>



## OPEN PIT MINE

- Fully-permitted, mineral reserves of 386 Mst @ 0.50%CuEq (0.65%CuEq first 5 yrs) and 19-year mine life<sup>1</sup>
- Measured and Indicated Mineral Resources of 5B lbs of copper and significant precious metals credits<sup>1</sup>
- Strong project economics including Post-Tax 21% IRR and EBIDA \$239M pa life of mine average<sup>2</sup>
- Significant optimization and growth potential



Nevada Copper Underground Mine															
		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
Copper		\$3.20	\$3.20	\$3.20	\$3.20	\$3.20	\$3.20	\$3.20	\$3.20	\$3.20	\$3.20	\$3.20	\$3.20	\$3.20	
Gold		\$1,800.00	\$1,800.00	\$1,800.00	\$1,800.00	\$1,800.00	\$1,800.00	\$1,800.00	\$1,800.00	\$1,800.00	\$1,800.00	\$1,800.00	\$1,800.00	\$1,800.00	
Silver		\$22.60	\$22.60	\$22.60	\$22.60	\$22.60	\$22.60	\$22.60	\$22.60	\$22.60	\$22.60	\$22.60	\$22.60	\$22.60	
Ore Feed	Thousand	1,825	1,825	1,825	1,825	1,825	1,825	1,825	1,825	1,825	1,825	1,825	1,825	1,825	
copper Grade		1.80%	1.92%	1.79%	1.72%	1.69%	1.49%	1.54%	1.59%	1.52%	1.44%	1.33%	1.26%	0.68%	
Gold		0.19%	0.24%	0.28%	0.27%	0.27%	0.19%	0.17%	0.17%	0.18%	0.18%	0.16%	0.15%	0.08%	
Silver		4.09%	5.34%	5.94%	5.72%	5.27%	3.73%	3.64%	3.94%	3.97%	4.21%	3.95%	3.55%	1.99%	
Contained CU		65,836	69,931	65,187	62,668	61,842	54,439	56,113	58,095	55,388	52,512	48,383	45,961	19,310	
Contained Au		6	14	16	16	16	11	10	10	10	10	9	9	4	
Contained Ag		240	313	343	336	309	219	214	214	233	247	226	209	91	
Recovered Cu															
Recovered Au															
Contained Ag															
Payable Cu		58,133	61,749	57,560	55,336	54,606	48,070	49,548	51,298	48,908	46,368	42,722	40,584	17,051	
Payable Au		4	10	11	11	11	8	7	7	7	7	6	6	3	
Payable Ag		144	188	206	202	185	131	128	128	140	148	136	125	55	
Copper reserve tail															
Gross Copper Rev	Thousand	\$186,026	\$197,597	\$184,192	\$177,075	\$174,741	\$153,823	\$158,553	\$164,153	\$156,504	\$148,378	\$136,711	\$129,867	\$54,562	
Gross Au Rev		\$7,560	\$17,640	\$20,160	\$20,160	\$20,160	\$13,860	\$12,600	\$12,600	\$12,600	\$12,600	\$11,340	\$11,340	\$5,040	
Gross Ag Rev		\$3,254	\$4,244	\$4,651	\$4,556	\$4,190	\$2,970	\$2,902	\$2,902	\$3,159	\$3,349	\$3,065	\$2,834	\$1,234	
Total Gross Rev		\$196,841	\$219,481	\$209,003	\$201,791	\$199,091	\$170,652	\$174,055	\$179,655	\$172,264	\$164,327	\$151,116	\$144,041	\$60,836	
Treatment charges		\$8,718	\$9,260	\$8,632	\$8,298	\$8,189	\$7,208	\$7,430	\$7,691	\$7,334	\$6,953	\$6,407	\$6,086	\$2,557	
Refininf charges		\$4,462	\$4,760	\$4,463	\$4,291	\$4,230	\$3,700	\$3,807	\$3,936	\$3,765	\$3,577	\$3,295	\$3,128	\$1,316	
Transport charges		\$7,862	\$8,351	\$7,764	\$7,484	\$7,385	\$6,501	\$6,701	\$6,936	\$6,614	\$6,271	\$5,778	\$5,489	\$2,206	
Total TD, RC,Shipping		-\$21,042	-\$22,371	-\$20,859	-\$20,073	-\$19,804	-\$17,409	-\$17,938	-\$18,563	-\$17,713	-\$16,801	-\$15,480	-\$14,703	-\$6,179	
NSR		\$175,799	\$197,110	\$188,144	\$181,718	\$179,287	\$153,243	\$156,117	\$161,092	\$154,551	\$147,526	\$135,636	\$129,338	\$54,657	
RGGS Royalty		\$ 10,015	\$ 11,101	\$ 10,755	\$ 10,364	\$ 10,228	\$ 8,835	\$ 9,048	\$ 9,325	\$ 8,962	\$ 8,534	\$ 7,850	\$ 7,453	\$ 3,145	
Mining Cost		\$ 65,932	\$ 56,653	\$ 55,693	\$ 54,475	\$ 51,965	\$ 55,122	\$ 53,136	\$ 52,871	\$ 52,288	\$ 51,373	\$ 50,463	\$ 54,701	\$ 19,604	
Milling Cost		\$ 18,396	\$ 18,396	\$ 18,396	\$ 18,396	\$ 18,396	\$ 18,396	\$ 18,396	\$ 18,396	\$ 18,396	\$ 18,396	\$ 18,396	\$ 18,396	\$ 8,042	
G&A Cost		\$ 6,324	\$ 5,785	\$ 5,785	\$ 5,785	\$ 5,785	\$ 5,785	\$ 5,785	\$ 5,785	\$ 5,785	\$ 5,785	\$ 5,785	\$ 5,785	\$ 5,785	
Total Opex		-\$100,667	-\$ 91,935	-\$ 90,629	-\$ 89,020	-\$ 86,374	-\$ 88,138	-\$ 86,365	-\$ 86,377	-\$ 85,431	-\$ 84,088	-\$ 82,494	-\$ 86,335	-\$ 36,576	
Pre-Tax Operating C.Flow (EBITDA)		\$75,132	\$105,175	\$97,515	\$92,698	\$92,913	\$65,105	\$69,752	\$74,715	\$69,120	\$63,438	\$53,142	\$43,003	\$18,081	
Plant		\$71,379	\$8,822												
Mine Development		\$29,100	\$13,250												
Off Site Infras		\$24,104	\$2,096												
Indirects		\$22,732	\$1,977												
Contingency		\$0	\$8,701												
First Equip Leases		\$1,031	\$511												
Initial Capex		-\$148,346	-\$35,357												
Sustaining Capx		\$14,293	\$17,208	\$7,629	\$4,859	\$4,831	\$4,242	\$3,858	\$5,254	\$6,657	\$9,545	\$6,324	\$1,241	\$2,340	
AISC		-\$136,002	-\$131,514	-\$119,117	-\$113,952	-\$111,009	-\$109,789	-\$108,161	-\$110,194	-\$109,801	-\$110,434	-\$104,298	-\$102,279	-\$45,095	
AISC / Total Gross Revenue		69%	60%	57%	56%	56%	64%	62%	61%	64%	67%	69%	71%	74%	
Taxes		\$2,204	\$3,666	\$3,458	\$8,315	\$10,583	\$6,205	\$9,050	\$10,415	\$9,771	\$8,702	\$6,703	\$4,598	\$2,106	
Tax / Total Gross Revenue															
Post tax Operating C. Flow (EBIDA- capx)		\$58,635	\$84,301	\$86,428	\$79,524	\$77,499	\$54,658	\$56,844	\$59,046	\$52,692	\$45,191	\$40,115	\$37,164	\$13,635	
Period		1	2	3	4	5	6	7	8	9	10	11	12	13	
D. Rate		9%													
NPV mil		\$468	\$53,793	\$70,955	\$66,739	\$56,337	\$50,369	\$32,591	\$31,095	\$29,633	\$24,261	\$19,089	\$15,546	\$13,213	\$4,448
Post-Tax Operating C. Flow / Total Gross Rev		27%	32%	32%	28%	25%	19%	18%	16%	14%	12%	10%	9%	7%	
Pre-Tax Operating C. Flow - Capx		\$60,839	\$87,967	\$89,886	\$87,839	\$88,082	\$60,863	\$65,894	\$69,461	\$62,463	\$53,893	\$46,818	\$41,762	\$15,741	
(Pre-Tax Operating C. Flow - Capx) / TGR		31%	40%	43%	44%	44%	36%	38%	39%	36%	33%	31%	29%	26%	

Working Capital Deficit Approximation Dec 2020

2020-12-04			
<b>Working Capital Estimate at End Of Q1 2021</b>			
<b>Working Capital (\$000)</b>			
		Current Assets	Current Liabilities
Sept 30, 2020 Quarterly Report		\$2,000	\$105,000
Subsequent Events			
Oct 5 Pala Investments		\$8,000	
Nov 24 K&W IPEX Bank		\$15,000	
Nov 24 Undisclosed lenders		\$15,000	
Pre-Tax Op Cash Flow			
Stockpile:			
164k tons @ .40% grade x \$5k / ton			
=tot rev of \$3,280K approx 1/2 pre			
tax cash flow = \$1,640K. Add back			
cost to mine of approx \$2,000K		\$3,640	
Ongoing U Ground Mining:			
Pre-Tax Op Cash Flow:			
4000 t/d @ 1.25% grade x			
\$6,400 / ton = \$320,000/day			
approx 1/2 is pretax Op Cash Flow			
\$160k x 180 days		\$28,800	
		\$72,440	\$105,000
Deficit end of qtr 1 2021			\$32,560

The working capital deficit has an ongoing path to reduction so long as the mine is producing.

Open Pit Mine										Alternatively									
Ton	Lbs /	Grade	Cu lbs /	Cu	Rev /	Cost (AISC)	Profit /	Daily	Daily	Daily	Yearly	Mine	Cu lbs /	Cost / lb					
Million	Ton	Recovery	Ton	Price / Lb	Ton	/ Ton	Ton	Prod. Ton	Rev	EBITDA +capx	EBITDA +capx	Life Yrs.	Ton	of CU					
386	2000	0.50%	89%	8.90	\$ 3.20	\$ 28.48	\$ 18.70	\$ 9.78	\$ 1,594,880	\$ 547,680	\$ 197,164,800	19.147	8,900	\$ 2.10					
553		0.45%	Measured & Indicated																
939	2000	0.48%	89%	8.54	\$ 3.20	\$ 27.34	\$ 18.70	\$ 8.64	\$ 1,531,085	\$ 483,885	\$ 171,779,104	49.317	8,544	\$ 2.19					
<b>NPV of Open Pit Mining - 56000 Tons of Ore / 360 Days / Yr.</b>										<b>OPEN PIT PFS HIGHLIGHTS<sup>1</sup></b>									
Discount rate	9.00%	10% Profit	Present Value	Present Value						Project Economics	Post-Tax 21% IRR and \$829M NPV <sup>7.5%</sup>								
Effective Tax Rate			(mil)	PreTax	AfterTax					CAPEX	Pre-production capex: US\$672 million								
	Year					\$239M pa life of mine average				OPEX <sup>2</sup>	\$1.73/lb Cu (C1) and \$2.03/lb Cu (AISC) <sup>5</sup>								
2021	1		-\$336	-\$308	-\$308					Mine life <sup>4</sup>	19 years production. 386 Mst @ 0.50%CuEq (0.69%CuEq first 5 yrs)								
	2		-\$336	-\$283	-\$283					Cu Recoveries	North Pit 90% South Pit 88%								
	3		\$197	\$152	\$137					EBITDA <sup>6</sup>	\$239M per annum life of mine average								
	4		\$197	\$140	\$126					Annual free <sup>3</sup> cash flow	Avg cashflow \$180Mpa of 17 steady state years								
	5		\$197	\$128	\$115	Payback				Expansion potential	Inferred in pit & mineralization open to the North & West								
	6		\$197	\$118	\$106	\$789				Potential financing	Nevada Copper has already partnered with KfW IPEX Bank to complete the underground mine								
	7		\$197	\$108	\$97														
	8		\$197	\$99	\$89														
	9		\$197	\$91	\$82														
	10		\$197	\$83	\$75														
	11		\$197	\$76	\$69														
	12		\$197	\$70	\$63														
	13		\$197	\$64	\$58														
	14		\$197	\$59	\$53														
	15		\$197	\$54	\$49														
	16		\$197	\$50	\$45														
	17		\$197	\$46	\$41														
	18		\$197	\$42	\$38														
	19		\$197	\$38	\$35														
	20		\$197	\$35	\$32														
	21		\$197	\$32	\$29														
						\$894	\$746												
<b>Underground Mine Proved &amp; Probable &amp; Credits</b>										<b>UNDERGROUND MINE</b>									
Ton	Lbs /	Grade	Cu lbs /	Cu	Rev /	Cost /	Profit /	Daily	Daily	Daily C1	Yearly C1	Mine	Lbs /	Ore /	Cost /				
Million	Ton	Recovery	Ton	Price / Lb	Ton	Ton (AISC)	Ton	Prod. Ton	Rev	Profit	Profit (360 d)	Life Yrs.	Ton	of CU					
23.9	2000	1.740%	89%	30.97	\$ 3.20	\$ 99.1	\$ 62.44	\$ 36.67	\$ 5000	\$ 495,552	\$ 183,354	\$ 66,007,526	14.059	30.972	\$ 2.02				
<b>NPV of Underground Mine Proved &amp; Probable 5000st / day 360 days /</b>										<b>▪ Fully-permitted, mineral reserves of 23.9 Mst @ 1.74% Cu eq and 13.5-year mine life<sup>1</sup></b>									
Discount rate	10.00%	10%	Present Value	Present Value						<b>▪ Ramping up to commercial production in 2020, targeting 50M lbs copper per annum LoM</b>									
Effective Tax Rate			EBITDA (mil)	PreTax	AfterTax					<b>▪ Avg US\$80m operating cash flow pa over first 5 years<sup>3</sup></b>									
	Year																		
	1		\$66	\$60	\$54														
	2		\$66	\$55	\$49														
	3		\$66	\$50	\$45														
	4		\$66	\$45	\$41														
	5		\$66	\$41	\$37														
	6		\$66	\$37	\$34														
	7		\$66	\$34	\$30														
	8		\$66	\$31	\$28														
	9		\$66	\$28	\$25														
	10		\$66	\$25	\$23														
	11		\$66	\$23	\$21														
	12		\$66	\$21	\$19														
	13		\$66	\$19	\$17														
	14		\$66	\$17	\$16														
						\$486	\$438												

Open Pit Proven & Probable

Table 15-7: Mineral Reserve Summary

Confidence Category	Ore (Mt)	Average Ore Grades			Contained Metal		
		Cu (%)	Au (oz/st)	Ag (oz/st)	Cu (Mlbs)	Au (Koz)	Ag (Koz)
Proven Mineral Reserves (North)	75.4	0.65	0.002	0.070	983	151	5,302
Proven Mineral Reserves (South)	31.3	0.36	0.002	0.045	223	48	1,420
Proven Mineral Reserves (North + South)	106.6	0.57	0.002	0.063	1,206	199	6,722
Probable Mineral Reserves (North)	147.4	0.48	0.001	0.055	1,407	215	8,086
Probable Mineral Reserves (South)	131.7	0.37	0.002	0.049	977	203	6,458
Probable Mineral Reserves (North + South)	279.1	0.43	0.001	0.052	2,384	419	14,544
<b>Proven and Probable Mineral Reserves</b>	<b>385.7</b>	<b>0.47</b>	<b>0.002</b>	<b>0.055</b>	<b>3,590</b>	<b>617</b>	<b>21,266</b>

Note: Effective date on Open Pit Mineral Reserves is January 21, 2019.

Measured & Indicated & Inferred

MINERAL RESOURCES

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The current mineral resource estimate for the Open Pit was disclosed April 16, 2019 and the related NI 43-101 Technical Report was filed on SEDAR in April 16, 2019, with an effective date of January 21, 2019.

Confidence Category	Ore (Mst)	Average Ore Grades			Contained Metal		
		Cu (%)	Au (oz/st)	Ag (oz/st)	Cu (Mlbs)	Au (Koz)	Ag (Koz)
Measured Mineral Resources	134	0.561	0.002	0.064	1,508	255	8,593
Indicated Mineral Resources	419	0.417	0.001	0.051	3,492	623	21,185
Measured and Indicated Mineral Resources	553	0.452	0.002	0.054	5,000	879	29,778
Confidence Category	Ore (Mst)	Average Ore Grades			Contained Metal		
Inferred Mineral Resources	28	0.358	0.001	0.040	197	37	1,088

Mineral Resource Underground Eastern Area

Effective date on Underground Mineral Resource is April 15, 2015

Category	Cutoff Grade %/Cu	Tons (millions)	Grade %/Cu	Contained Cu lb (millions)	Grade Au oz/st	Contained Au ozs (thousands)	Grade Ag oz/st	Contained Ag ozs (thousands)	Grade Fe	Contained Fe tons (millions)
Measured	0.75	12.1	1.60	389	0.006	74	0.127	1,541	18.7	2.3
Indicated	0.75	41.9	1.33	1,114	0.005	217	0.112	4,716	17.6	7.4
Measured + Indicated	0.75	54.1	1.39	1,503	0.005	291	0.116	6,257	17.8	9.6
Inferred	0.75	29.2	1.09	636	0.003	87	0.064	1,875	12.8	3.7

CIM industry best practices were followed in the development of Mineral Resource estimate. Measured and indicated resources are stated as inclusive of reserves. Mineral Resources that are not Mineral Reserves do have demonstrated economic viability.

\*Totals may not total due to rounding. Cu Eq. calculated Mineral Resources were estimated at a cutoff grade of 0.12% Cu

Working Capital (\$000) Estimate End of Q1 2021			
	Current Assets	Current Liabilities	
Sept 30, 2020 Quarterly Report	\$2,000	\$105,000	
Subsequent Events			
Oct 5 Pala Investments	\$8,000		
Nov 24 K&W IPEX Bank	\$15,000		
Nov 24 Undisclosed lenders	\$15,000		
Pre-Tax Op Cash Flow			
Stockpile:			
164k tons @ .40% grade x \$5k / ton			
=tot rev of \$3,280K approx 1/2 pre			
tax cash flow = \$1,640K. Add back			
cost to mine of approx \$2,000K	\$3,640		
Ongoing U Ground Mining:			
Pre-Tax Op Cash Flow:			
4000 t/d @ 1.25% grade x			
\$6,400 / ton = \$320,000/day			
approx 1/2 is pretax Op Cash Flow			
\$160k x 180 days	\$28,800		
<b>New Dec 9 2020</b>			
K&W IPEX Bank	\$15,000		Loan with 12 month grace period
K&W IPEX Bank CL to LT Debt		-\$13,000	
Concord	\$11,000		
Pala Investments	\$7,000		
	\$105,440	\$92,000	
Deficit end of qtr 1 2021		\$13,440	