

COMPARISON ON INAC, AEM AND GEOVECTOR SECURITY ESTIMATES

GEOVECTOR ESTIMATES INCLUDE TAILINGS AND ROCK PILE COVERAGES OF 2.5M (BASE CASE), 2.0M AND 3.0M THICKNESSES

	INAC	AEM	KIA
	Estimate	End of Mine Life	End of Mine Life
Open Pit	\$2,441,495	\$1,771,391	\$1,610,591
Underground Mine	\$0	\$0	
Tailings	\$20,573,794	\$5,490,990	\$19,560,990
Rock Pile	\$4,174,265	\$3,521,990	\$9,072,290
Buildings and Equipment	\$6,057,562	\$2,384,085	\$2,418,009
Chemicals and Soil Management	\$538,754	\$461,765	\$461,765
Water Management	\$0	\$283,055	\$283,055
Post Closure Site Maintenance	\$0	\$743,874	\$0
Sub Total	\$33,785,869	\$14,657,150	\$33,406,700
Mobilization/Demobilization	\$802,207	\$506,873	\$863,180
Monitoring and Maintenance	\$840,000	\$550,000	\$840,000
Market Factor Price Adjustment	\$0	\$0	\$0
Project Management	\$1,689,293	\$439,715	\$1,670,335
Engineering	\$1,689,293	\$439,715	\$1,670,335
Contingency	\$5,067,880	\$1,465,715	\$5,011,005
Grand Total	\$43,874,543	\$18,059,168	\$43,461,555

Open Pit - INAC included very large costs for breaching dykes, GV felt AEM's numbers more credible. INAC actually estimated pump cost (\$0.02/m3), whereas AEM used lump estimates, GV used INAC's rates. INAC included monitoring/maintenance costs which AEM broke out separately as a line item in the summary, GV went with AEM's methods
Tailings - INAC estimate includes 8 Million cubic meters of cover for the tailings impoundment (5 m thick over 160 ha) vs 1.25 Million cubic meters for AEM estimate (2.5 m thick over 50 hectares). GV used INAC areas at 2.5, 2.0 and 3.0m thickness, but used AEM's unit rate for placement (\$4.20) vs INAC's (\$3.67)
Rock Piles - INAC estimate includes 3.4 Million cubic meters of total cover material for waste rock piles vs 0.45 Million cubic meters for AEM estimate - Portage 2.5 m thick for 10 Ha & Vault 2.5 m thick for 8 Ha. GV used INAC's areas but with 2.5, 2.0 and 3.0m thicknesses
Buildings and Equipments - INAC estimates for floor area appear reasonable (approximately 39,00 m2), AEM's seem very low (approximately 10,000m2) GV went with INAC's area, but did not escalate for multiple floors, as most of the buildings are warehouse shell type (INAC's volume multiplier is approximately 126,000m3). AEM used \$35.2 per sq m. as the RECLAIM unit cost table steel building teardown cost INAC sometimes used \$52.8 per sq m which at high end. GV feels the simple structure of the buildings will be toward the low end
Chemicals and Soil Management - GV agreed with AEM's estimates
Water Management - GV agreed with AEM's estimates. INAC included similar costs under the Open Pits
Post Closure Site Maintenance - AEM includes a complex future value calculation here. The items seem to be covered under Monitoring and Maintenance, so GV deleted this cost
Mobilization/Demobilization - After review of both estimates (INAC and AEM), GV believes INAC's estimates are more credible. GV's estimate is slightly higher than INAC's because of inclusion of some AEM costs that were missed by INAC.
Monitoring Maintenance - After review of both estimates (INAC and AEM), GV believes INAC's estimates are more credible.
Project Management - INAC used 5% of the sub-totaled cost, AEM used 3%. GV went with INAC's 5%
Engineering - INAC used 5% of the sub-totaled cost, AEM used 3%. GV went with INAC's 5%
Contingency - INAC used 15% of the sub-totaled cost, AEM used 10%. GV went with INAC's 15%