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- 16. Capital costs, No townsite necessary
 - Concentrator (concentrator is complex) \$30 million
 - Mine development and equipment \$ 4 million
 - Mine exploration and proving \$ 2 million
 - \$36 million
- 17. Capital expenditures each year of operation \$ 2 million
- 18. Assume inflation and commodity prices rise sympathetically.
- 19. Depreciation of capital costs straight line method \$3.6 million/year

OPERATING PROFITS CALCULATION

		Each year of Production.
Tonnes of ore milled		1,500,000
Grade of ore reaching mill		18% CaF ₂ 0.1% WO ₃ ² 0.1% Sn ³
Tonnes of products in mill feed	CaF ₂ WO ₃ Sn ³	270,000 1,500 1,500
Tonnes of products recovered	CaF ₂ WO ₃ Sn ³	162,000 750 450
Gross value of products recovered, \$	CaF ₂ WO ₃ Sn ³	12,960,000 9,000,000 <u>4,050,000</u>
	TOTAL	26,010,000
Tonnes CaF ₂ concentrate freighted		
97% CaF ₂ in concentrate, hence $\frac{162,000 \times 100}{97}$		167,000
Freight charges on CaF ₂ concentrate, \$ (Sn, WO ₃ freight negligible)		2,004,000
No other significant charges, royalty to be figured on operating profit		-
Receipts after charges		say 24,000,000
- equivalent to \$16.00/tonne ore milled		
Operating costs/tonne ore:		
mining ore + overburden	\$ 2.40	
milling	\$10.00	
overhead/indirect	<u>\$ 1.50</u>	
	say <u>\$14.00</u>	
Operating profit \$16.00 - \$14.00 = \$2/tonne		\$ 3,000,000