

TABLE 1 - PROJECTED GIANT MINE NETBACKS FROM BUYERS OF REFINED AS2O3

Annual Qty Sold (SDT)	Buyer	Buyer Location	Mexican f.o.b. Laredo Price	Bulk Rail Freight to Buyer (1979 Rates)	Giant Truck Cost to Buyer (1979 Rates + 20%)	Giant Mine Netback
			(US¢/lb)	+	(US¢/lb)	= (US¢/lb)
1,000 ST	Pennwalt	Texas (Bryan)	30.0		1.14	10.92
1,000 ST	V.P.G.	Texas (Bonham)	30.0		1.14	10.44
2,000 ST	Osmose	Tenn (Memphis)	30.0		2.29	10.68

WEIGHTED AVERAGE MINE NETBACK 21.07¢/lb
(\$US 422/ST)

TABLE 2 - GIANT RETURN ON INVESTMENT

		YEAR 0	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	PROJECT TOTAL
Quantity Produced/Sold	ST	-	4,000	4,000	4,000	4,000	4,000	4,000	4,000	28,000
Mine Netback	¢US/LB	-	21.07	21.07	21.07	21.07	21.07	21.07	21.07	21.07
	\$US/ST	-	422	422	422	422	422	422	422	422
Mine Revenue	\$US	-	1,688,000	1,688,000	1,688,000	1,688,000	1,688,000	1,688,000	1,688,000	11,816,000
Giant Investment		(2,200,000)	0	0	0	0	0	0	0	(2,200,000)
Operating Cost (\$US 130/ST)		-	(520,000)	(520,000)	(520,000)	(520,000)	(520,000)	(520,000)	(520,000)	(3,640,000)
Before Tax Cash Flow	\$US	(2,200,000)	1,168,000	1,168,000	1,168,000	1,168,000	1,168,000	1,168,000	1,168,000	5,976,000
Less Depreciation (30% D. Bal)	\$US	-	(660,000)	(462,000)	(323,400)	(226,400)	(158,500)	(110,900)	(77,600)	(2,018,800)
Less Taxes @ 40%	\$US	-	(203,200)	(282,400)	(337,800)	(376,600)	(403,800)	(422,800)	(436,100)	(2,462,700)
Plus Depreciation	\$US	-	660,000	462,000	323,400	226,400	158,500	110,900	77,600	(2,018,800)
Project After Tax Cash Flow	\$US	(2,200,000)	964,800	885,600	830,200	791,400	764,200	745,200	731,900	3,513,300
(A) Project After Tax Discounted Cash Flow (i = 12%)	\$US	(2,200,000)	861,400	706,000	590,900	502,900	433,600	377,500	331,100	1,603,400 N.P.V.
(B) Project After Tax Internal Rate of Return			31%							
(C) Payback Period			2.4 Years							