

Meet. - John Green - re Asenic Project April 2011
10:15 - 10:45

Case I - doesn't start until year 4 to
put on same basis as Cases II & III.

Sold content cement buyback is .02 / Ton
assume 70% recy + 50045 = \$98,000 US per year.
This has been built in to the revenues for year
which total \$778,000 US or \$1,133,000 in 1st year

Content in US .502 x 70% for 3700 tons = \$643,000 US

Cash lag - Revenues 1st yr \$1,133,000 but cash in is
only \$849,000 - expect 3 month delay in payments.

Cost of Money - for FARM is 8% and add
9% p/cation factor = 17%

Taxes - Class 10 project - where we are
30% declining balance capital cost allowance
is 1,000,000 capital x 30% = \$300,000 1st year
1,000,000 - 300,000 = \$700,000 x 30% = \$210,000 2nd year
+ 50 on. Some tax advantage to Grant if rolled in.
but also advise tax situation if not consider separate - about
equivalent.

Internal rate of Return - Green feels not as disingenuous
as NPV. Not possible in Case I because no capital -
what we have is a sunk cost. For Case
II he plumed back calculated 39.8% & Case III 53.0%.

Investment Tax Credit - 50% rate will apply - ie
will reduce tax by half on this project. GRAND & TOY