

Appendix I

Financial Templates

Proponents shall submit financial projections generally following the format of the templates below.

I1: Capital Costs Template

Element	Total Cost	% of Total
Sitework		
On-site/off-site Services		
Grading, Access, Parking		
Landscaping	100,000	
BC Hydro allowance (connection and reconfiguration)	100,000	
Other		
Total Sitework		
Building Structure		
Excavation and all foundations for building and equipment		
Structure & Exterior (roof, floor(s), walls, windows)		
Partitions, Fitting & Finishes (doors, floors, ceiling)		
General Equipment (vehicles)		
Mechanical		
Electrical		
Foundations and Building Sub-Total		
Water Treatment Components (installed cost)		
Tanks/Storage & similar		
Clarifiers & similar		
Mechanical Dewatering equipment (filters or other)		
WTP Pumps/Piping		
On-site Storage & Sludge Management, if any		
Other Equipment (specify)		
Process Control Systems		
Licenses, if any		
Other Ancillary Work (specify)		
Total Water Treatment Components		
Ancillary WTP Work		
Site Power (incl. grounding, lighting)		
Outfall Distribution System (onshore section)		
Outfall Distribution System (offshore section)	500,000	
4100 Plug, Valves, Controls and Connection to WTP		
4100 Adit Upgrade & Related Workings	1,000,000	
Other feed lines and WTP By-pass line		
Fan Facilities (collection, sump, pump, piping, other)	150,000	
Storm water pumping and outfall	150,000	
Roadworks		
Jane Basin/Mt. Sheer Area Access Road (if used)		
Jane Basin/Mt. Sheer Area Sludge Disposal site preparation (if used)		
Other Ancillary Work (specify)		
Total Ancillary WTP Work		

I1: Capital Costs Template....continued

Soft Costs		
Project Management Fees & Overhead/Admin		
Architectural, Engineering, Other Professional Fees		
Interest Costs & Financing Fees during construction		
Legal, Permits & Other Costs		
Total Soft Costs		
Contingencies		
Construction Contingency		
Escalation Allowance		
Total Contingencies		
Profit		
CONSTRUCTION TOTAL		
Commissioning & Start-Up Costs		
TOTAL DEVELOPMENT COSTS		
GST/PST		
TOTAL CAPITAL COSTS (INCL. PST & GST)		

Proponents may add line items they deem relevant or material to the above.

I2: Operating Costs Template.

Operating Costs	Start-Up & Commissioning \$'000	List Annually Over Term			
		Period 1	Year 2		Year 20
		\$'000	\$'000	\$'000
On-Site Labour & Supervisor					
Reagents, Chemicals etc.					
Power					
Supplies, Rentals, Support Services					
Analytical Services					
Sub-total, WTP Operating Cost					
Sludge Management					
Revenue, if any					
Transportation					
Disposal Costs and Tipping Fees, if any					
Jane Basin/Mt. Sheer site management costs (if used)					
Treatment, if any					
Sub-total, Sludge Management					
Other					
4100 Level Adit Monitoring (plug, tunnel, site)					
Other Workings Monitoring					
Roads Annual Maintenance					
Other (specify)					
Other (specify)					
Sub-total, Other Operating Costs					
Insurance					
Fees					
Site Administration					
Corporate Overhead & Profit					
Third-party interest costs & fees					
Other (specify)					
Contingency					
GST/PST					
TOTAL ANNUAL OPERATING & MAINTENANCE EXPENSES*					

Notes:

1. Proponents may add line items they deem relevant or material to the above.
2. Clearly identify water flow assumptions and water chemistry assumptions.

I3: Capital Maintenance Cost Template.

Component	Design Life (Min.Years)	Capital Cost (\$000)	List Annually Over Term			
			Period 1 \$'000	Year 2 \$'000	Year 20 \$'000
Site Work						
Roadwork						
Landscaping						
Other						
Total Site Work						
Structure						
Building Fittings and General Equipment						
Water Treatment Equipment						
Tanks/Storage & similar						
Clarifiers & similar						
Mechanical Dewatering equipment (filters or other)						
WTP Pumps/Piping						
On-site Storage & Sludge Management, if any						
Other Equipment (specify)						
Process Control Systems						
Other Ancillary Work (specify)						
Total Water Treatment Equipment						
Ancillary Work						
Outfall (surface)						
Outfall (below sea level)	Excluded. Handle as Variation.					
4100 Connection, Other Feed Lines & Bypass						
4100 Adit and Workings work	Excluded. Handle as Variation.					
Workings (reservoir)	Excluded. Handle as Variation.					
Groundwater and storm water collection and pumping						
Roadworks						
Jane Basin/Mt. Sheer Area Access Road (if used)						
Jane Basin/Mt. Sheer Area site maintenance (if used)						
Other Ancillary Work (specify)						
Total Ancillary Work						
GST/PST						
TOTAL LIFE CYCLE COSTS (PER ANNUM)						

Proponents may add line items they deem relevant or material to the above.

I4: Preliminary Capitalization Plan Overview.

<u>Shareholders' Equity</u>	<u>Amount</u>
Investor #1 Parent Company	Investor #1
Investor #2 Parent Company	Investor #2
Investor #3 Parent Company	Investor #3
etc.	etc.
TOTAL EQUITY:	

<u>Senior Debt</u>	<u>Amount</u>
Lender:	
Amount:	
Interest Rate:	
Term:	
Amortization:	
Monthly Payment:	
Breakage costs for early repayment, if any:	
Brief Summary of Security Requirements:	

<u>Third-Party Sub-Debt, if any</u>	<u>Amount</u>
Lender:	
Amount:	
Interest Rate:	
Term:	
Amortization:	
Monthly Payment:	
Breakage costs for early repayment, if any:	
Brief Summary of Security Requirements:	

I5: Periodic Payment Calculations & Inflation Assumptions

NOMINAL Dollar Analysis

PROPOSED ANNUAL PAYMENTS (IN NOMINAL DOLLARS)	TOTAL	List Annually Over Term		
		Year 1		Year 20
	\$'000	\$'000	\$'000
Annual Fixed Costs				
Annual Repair & Replacement Costs				
Annual Labour Costs				
Annual Other Costs (routine repairs, overhead, other)				
Estimated Annual Chemicals/Reagent Costs				
Estimated Utility Costs				
Estimated Net Sludge Costs (transportation and tipping/disposal)				
Major Events, Minor Events & Quality Events	0	0	0	0
Proposed Annual Payments				

Province is exempt from paying GST.

This is perhaps the most important Financial Template in the Appendix. It reflects the Proponent's proposed payment schedule and will be used for RFP evaluation purposes as described in the RFP.

I6: Sensitivity Analysis

Proponents to provide the following sensitivity analysis. Calculate for each scenario the impact on annual Periodic Payments charged to Province.

1. Base Case benchmark analysis.

Note Proponents are responsible for establishing their own water volume projections and water chemistry assumptions. Province provides no representations or warranties regarding future mine water volume and chemistry.

For comparative analysis purposes, the Province requests Proponents provide an analysis of the impact on their proposed Periodic Payment under the following "Base Case" assumptions:

Calculate the 12-month Periodic Payment under the following scenario.

- (a) Use the Standard Assumptions as identified in the RFP.
- (b) Assume calculations are for 12-month calendar year 2008 (well after start-up phase). Express Periodic Payment in 2008 dollars (using inflations assumptions provided).

2. Water chemistry impact.

Assuming all other Base Case assumptions, calculate the impact on the Periodic Payment for following:

- (a) Assume water chemistry changes to consistently flow at **10th percentile level** (as described Appendix D, Section 1, Table 2) for 12 months.
 - (b) Assume water chemistry changes to consistently flow at **90th percentile level** (as described Appendix D, Section 1, Table 2) for 12 months.
- Assume "typical" groundwater chemistry for this analysis.

3. Water volume impact.

Assuming all other Base Case assumptions, calculate the impact on the Periodic Payment for following:

- (a) Annual water volume from the 4100 level of 3,500,000 m³ treated by WTP, plus 876,000 m³/year groundwater.
 - (b) Annual water volume from the 4100 level of 6,500,000 m³ treated by WTP, plus 876,000 m³/year groundwater.
- Assume "typical" groundwater chemistry for this analysis.

Notes:

- 1. For all of the above, it would be helpful if proponents could provide charts and step-up details for the Periodic Payment under each sensitivity scenario (for illustrative purposes).
- 2. All remarkable/relevant assumptions used by proponent in analysis should be clearly identified.
- 3. Results should be duplicatable by Province using Proponents spreadsheet.

I7: Electronic Financial Model Delivery

- Provide the computer model used by Proponents to assess the Project:
- Electronically and which allows the viewer access to all internal formulas, data and assumptions.
- Compatible with Microsoft Excel 2000.
- Provide financial projections on a cash basis (cost and revenue projections without accruals and accounting adjustments) on an annual basis from Financial Close until the end of the Project Term.
- Be expressed in Canadian nominal dollars.
- Proponent must use inflation assumptions provided in this Financial Templates section plus allowable other inflation adjustments which are fully documented. Province reserves the right to change all inflation assumptions in Proponent analysis to 2% for the purposes of conducting the financial evaluation.
- Reconcile to other cost information provided by Proponents.
- A schedule of payments by Province that sets out the expected date of payment and the amount to be paid by Province.
- Capital maintenance schedule and cash flow (including identification of sources of cash funding as required).
- Funding schedules that specify the expected debt advances and repayment dates and the amount of debt service to be paid.
- The source and timing of any equity injections and details of the phasing, if appropriate.
- Project IRR, before financing and tax, assuming average water chemistry and flow rates as well as no deductions for Failure Events or Quality Event deductions/additions.
- Revenue or profit share payments, where relevant.

Proponent is solely responsible for risk of errors, accuracy, omissions, defects and deficiencies in their financial model. Province will not be verifying the accuracy of the model or otherwise accepting any risk associated with the financial model.