

# (Diatom Hill) - Twelve-month cash flow - Year 1

	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10
<b>CASH RECEIPTS</b>												
Raw DE (\$300/ton)		0	0	0	0	0	7,200,000	7,200,000	7,200,000	7,200,000	7,200,000	7,200,000
7N DE (\$20,000/ton)												
Aluminum (\$135/ton)												
Net Loan Proceeds	100,000,000											
<b>TOTAL CASH RECEIPTS</b>	<b>100,000,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,200,000</b>	<b>7,200,000</b>	<b>7,200,000</b>	<b>7,200,000</b>	<b>7,200,000</b>	<b>7,200,000</b>
<b>CASH PAID OUT</b>												
Acquisition Costs	0											
Processing Plant Cost	60,000,000											
Equipment (see equipment summary)	10,000,000											
<b>Processing Costs (\$500/ton)</b>												
Contractor Costs (mine/haul - \$20/ton)	0	0	0	0	0	480,000	480,000	480,000	480,000	480,000	480,000	480,000
Truck/tractor lease	0	0	0	0	0	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Gross wages	20,000	20,000	25,000	25,000	35,000	35,000	55,000	55,000	55,000	55,000	55,000	55,000
Payroll expenses (taxes, etc.)	3,000	3,000	3,750	3,750	5,250	5,250	8,250	8,250	8,250	8,250	8,250	8,250
Supplies (office & oper.)	1,000	1,000	1,000	1,000	2,000	2,000	2,000	2,000	3,000	3,000	3,000	3,000
Repairs & maintenance	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Car, delivery & travel	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	6,000	6,000	6,000	7,500
Accounting & legal	20,000	20,000	20,000	20,000	20,000	20,000	20,000	30,000	30,000	30,000	30,000	50,000
Utilities	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Propane												
Fuel	2,000	3,000	4,000	5,000	5,000	5,000	10,000	10,000	10,000	10,000	10,000	10,000
Hydrochloric Acid (\$100/ton)												
Insurance		2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Reclamation (\$2,000/acre x 900)	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Interest/loan repayment (12%)												27,000,000
Miscellaneous	25,000	25,000	25,000	25,000	25,000	25,000	35,000	35,000	35,000	35,000	35,000	35,000
Distributions to Members (Tax/Profit)												
<b>TOTAL CASH PAID OUT</b>	<b>70,077,000</b>	<b>100,000</b>	<b>106,750</b>	<b>107,750</b>	<b>120,250</b>	<b>640,250</b>	<b>678,250</b>	<b>688,250</b>	<b>691,250</b>	<b>691,250</b>	<b>691,250</b>	<b>27,692,750</b>
<b>TOTAL CASH RESERVES</b>	<b>29,923,000</b>	<b>29,823,000</b>	<b>29,716,250</b>	<b>29,608,500</b>	<b>29,488,250</b>	<b>28,848,000</b>	<b>35,369,750</b>	<b>41,881,500</b>	<b>46,390,250</b>	<b>54,699,000</b>	<b>61,407,750</b>	<b>40,915,000</b>

## ESSENTIAL OPERATING DATA (non cash flow information)

Raw DE (scooped and bagged) - Initial field studies reflect an average sales price of \$300 per ton for raw DE; expect to mine up to 1,000 tons per day (6 days a week) by end of first year.