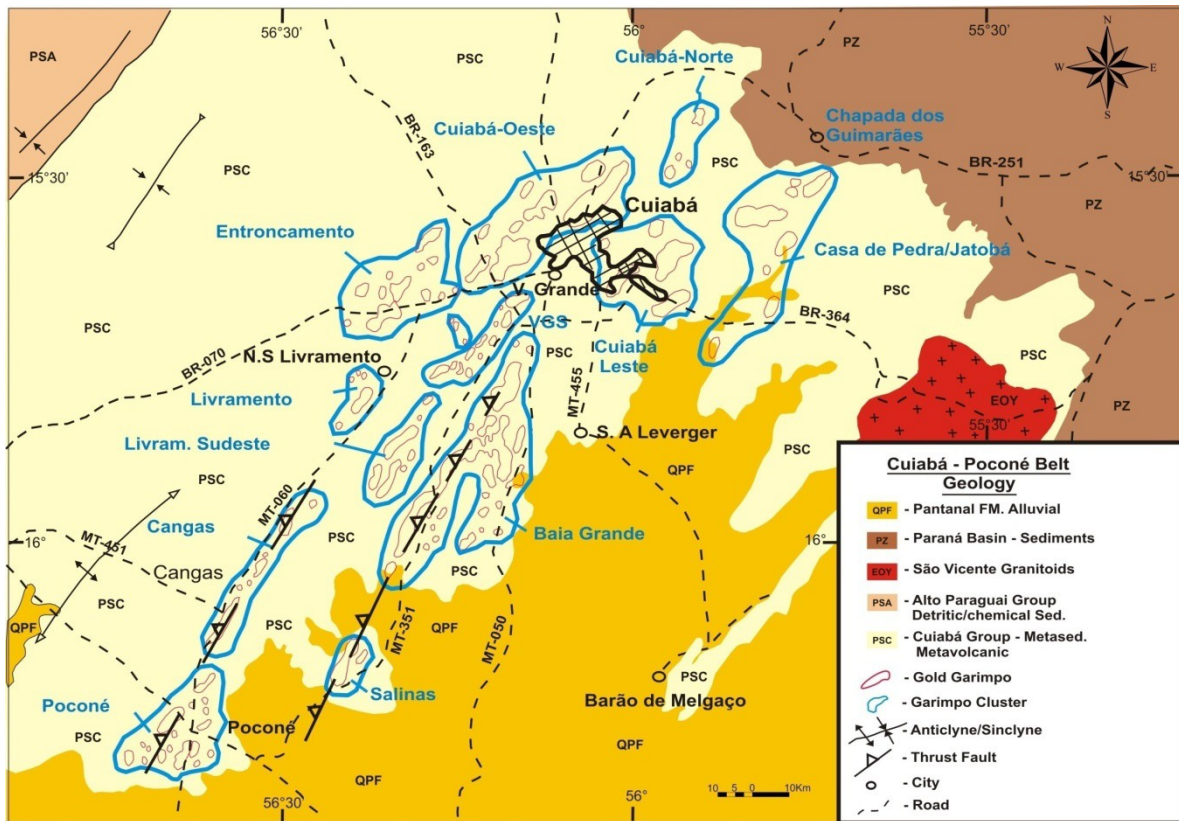


# EXECUTIVE SUMMARY FOR THE CUIABA GOLD BELT PROJECT



## INTRODUCTION

- The following Project was developed in order to take advantage of the tremendous amounts of gold tailings (left over waste from previous gold mining activity by artisan miners). The region we intend to explore has over 250 Million tons of tailings with an estimated 9 Million ounces of gold! Valuing at today's market of \$1300 per ounce, over 11,5 Billion dollars! This enormous gold reserve is laying out there and ready to be taken by any investor who understand its potential using a mining method called "The Quad Strategy";
- The Quad Strategy is a method where we combine Gravimetric plant + Flotation Plant + Leaching and electrowinning plant = Gold recovery is 92% of the ore. The concept is to have 1 Central plant with all 3 components (gravimetric, Flotation, Leaching) and 3 other satellite plants with only gravimetric and flotation units. The leaching and final purifying will be done only in the central plant, thus centralizing the entire process.

## REGIONAL HISTORY

- Gold was discovered in the early XVIII Century in the Baixada Cuiabana by the "bandeirantes" (trail blazers). Since then and up to the present days, gold is being produced from alluvial, elluvial and saprolitic rocks.
- In the 80's informal miners "garimpeiros" started to mine high grade quartz vein structures. Major and junior mining companies carried out reconnaissance geological work aiming to discover larger economic deposits.
- Conventional exploration methods and standard diamond drilling always showed poor results.

- The Cuiabá-Poconé Gold Belt is a stretch of land in the state of MatoGrosso do Sul – Brazil (West Brazil) 120 km long x 25 km wide. It has 12 clusters of “garimpos” (Artisan Mines) with similar geology, is considered to be one of the most prospective and under-explored gold districts in Brazil, with potential for discovery of several multimillion ounces gold deposits. The region has an excellent potential for low gold grade bulk mineable deposits.



## GOLD TAILINGS POTENTIAL

- RTZ determined along 1989, a tonnage close to 100 million tons of tailings along the Cuiabá-Poconé Gold Belt. Since then, that tonnage has increased threefold, at least, to 250-300 million tons of tailings:
- Tailings have been previously milled at hammer mills which is a very inefficient process. 30-35% recovery, the rest of the unrecoverable gold was discarded in the form tailing piles with an average gold grade ranging from 0.5 g/t – 1,6 g/t Au
- There is an opportunity for introduction of modern techniques : Flotation and cyanidation to recover 92% of fine gold; Flotation and agitated leaching - CIP (Carbon in pulp) already tested at the Salinas property with excellent results.
- Previous evaluations carried out by RTZ along 1987 and the exploration and evaluation work carried out by Salinas Gold Ltd (regional geological reconnaissance plus detailed exploration and bulk mining work at the Salinas Property), allow to estimate the gold potential **in only 5 out of 12** garimpo’s cluster as being:

Cluster	Material	Potential	
Salinas -	( saprolite + tailings )	1.5 million ounces	
Poconé Area	( saprolite + tailings )	2.5 million ounces.	
Tuiuiu Mine	(saprolite + tailings)	1,5 million ounces.	
Cangas -	(saprolite + tailings )	1,5 million ounces	
Casa de Pedra-Jatobá	(saprolite + tailings )	2.0 million ounces	<b>Total</b>
<b>9 million gold ounces</b>			

# BUSINESS OPPORTUNITY - STRATEGY

## Project consolidation

We have targeted over dozen potential sites for immediate gold mining. We will chose the best 4 sites for our Quad Strategy Model. Negotiate the best terms with the mine owners, do 90 day due diligence technical report which will define the reserve mineral size at each site around a central point, in a radius of 30-40 kms, where a cyanidation plant (CIP & electrowinning) will be built. An option contract with the mine owners will follow.

THE QUAD (4 PLANT UNITS) PROJECT HAS 3 PHASES-

## PHASE 1:

- Deployment of the first plant in the tailings flats. This plant will be the only plant to have Leaching process. It will be the "Master Plant" and process 3000 Tons per day of tailings and Saprolite @ 0,5-0,9 gr/tn  
**Capital required:** \$20 M for claim agreements and Master Plant plant start up.  
**Duration:** 12-18 months. In operation 12 months from funding in place.  
Estimated production: 18,000-25,000 ounces per year.

## PHASE 2:

- Ordering and building 3 additional plants which will be deployed in the same region with similar capacity. Their concentrated production from the floatation plant will be directed into the MASTER PLANT with the leaching process. 5% of the daily tonnage (150 tons of concentrated ore product coming from the floatation plant, will be hauled to the Master Plant with central cyanidation plant for leaching and electrowinning. **The leaching for all the plants will be done in the Master Plant.**  
**Capital required:** \$10 M for each plants start up x 3.  
**Duration:** 12 months.  
**Estimated production:** 4 x 18,000-25,000 = 72,000-100,000 ounces per year combined.

## Phase 3: – Duplication or expansion

- A similar Quad unit with 4 additional plants will be deployed in the same region with similar capacity, repeating the QUAD model (4 plants which are linked together under one central plant). The process will be repeated.  
**Capital required:** \$50 M for 4 plant start up. Payments are spread in 4 parcels of \$15M start-up, then \$10M, 7 months later, then additional 15M + 10M the following year.  
**Duration:** In operation 12 months from funding in place.  
Estimated combined production: 4 x 18,000-25,000 = 72,000-90,000 ounces per year combined . Working on Saprolite ore will increase project's potential to 120,000 ounces a year.

## Project main features

- **Modular:** Since all the tailings within the Cuiaba Pocone gold belt have the same metalurgic features, the plants will be standardized and be bought following the prototype Master Plant.
- **Speed:** The modular operation and quick deployment, allow immediate production and revenues to be generated as early as 12 months from funding in place!

- **Low operating cost:** While hard rock mining cost anywhere from \$700-\$1100 to produce 1 ounce of gold, mining the tailings costs only \$400-\$500 per ounce to produce.
- **Facilitating Maintenance:-** Since all the plants are basically the same, they will be easier to maintain and parts will be used by one maintenance team.
- **Sistematic Quad model:** It can be repeated along the 120 km of the Cuiaba Poconé gold belt. Over dozen sites have been targeted. This project can be repeated in other gold regions of Brazil.
- **Easy logistics:** The Cuiaba –Poconé gold belt project have asphalt road and electrical grid. The Master Plant will serve as a field HQ and coordinate logistic and operations.
- **Enhanced Security** – Since gold will be transferred to the Master Plant, the security will be focused mainly on it. All the plants will have special Israeli satellite monitoring equipment and allow a real time “virtual visits” of the investors. And most importantly:
- **Continuous Expansion:**
- Cuiaba-Poconé gold belt has over 200,000,000 tons of tailings @ 0,5-0,9 grams per ton. The project’s intent is to explore all of it (3M ounces of gold ONLY from the tailings and 6M ounces of Saproilite ore). If we only work on the tailings, it will take us about 32 years to exhaust the entire gold reserve at a rate of 100,000 ounces per year. (\$100M EBITDA). On the other hand, we can double the production by investing a similar 4 plant QUAD unit in a location nearby, thus doubling the projects capacity and income potential.