

**JOSEPH DUNLOP**

2236 Karalee Way  
Sandy, Utah 84092

November 28, 2005

Frank Ekejija  
NV Capital Fund  
1101 Wishing Well CT  
Cedar Hill, Texas 7504

Dear Mr. Ekejija;

As per your request, I have prepared a Preliminary Appraisal Report on a lode claim located in Wyoming in Carbon County.

This report is subject to the completion of an on site inspection and Wyoming Licensing requirements.

Due to the time restraints in getting this report to your investors, these items will be completed within the next four weeks of the payment of the required fees.

This report is based upon the income capabilities of your project. The highest and best use for your lode claim is mining. The slope of the property and the general location makes this less than ideal for other uses other than grazing. Since the value of the land, if mined, is greater than the land used for grazing, mining is the highest and best use. It is my understanding that much of the mining will be underground as opposed to open pit mining, grazing still might be a possibility.

A lode claim is a result of the United States Government restricting the open use and patenting of land in areas part of the National Forest lands. A lode or any

other claim is a right to use the land for mining purposes without transferring title. Any claim is treated as real estate and can be considered a lease of the land, subject to the mining laws and rules of the BLM and the United States Government.

The value of any claim is the discounted cash flow that is derived from the extraction and refining and sale of the precious metals in the lode. In estimating this value I depended upon studies of the lode minerals prepared by Donald J. McCoy Mine Engineering Services out of Blackhawk Co., core samples from Longyear Company, and several assay reports that looked at the potential recovery rate of the precious metals.

The estimated value as of November 23, 2005 is:

**ONE HNDRED TWENTY EIGHT BILLION THREE HUNDRED MILLION  
DOLLARS  
(\$128,300,000,000)**

**Sincerely,**



UTAH STATE Certified General Appraiser  
Certificate 5451128-CG00 Expires 8/31/07

Joe Dunlop

## **Underlying assumptions/ conditions**

The following Underlying Assumptions and Limiting Conditions apply to the property appraised herein and the appraisal report transmitted herewith.

### **1. Limit of Liability:**

The liability of Joseph Dunlop is limited to the fee collected for preparation of the appraisal. There is no accountability for liability to any third party. No third parties may rely upon this appraisal report for any purpose whatsoever, including the provision of financing for the acquisition of improvement of the subject property. This appraisal was prepared specifically for my client. Third parties who desire me to prepare an appraisal of the subject property for their use should contact the signatory of this report.

### **2. Copies, Publication, Distribution, Use of the Appraisal Report:**

Possession of the appraisal report or a copy of it does not carry with it the right of publication through advertising media, or any other public means of communication. It is a privileged communication. The appraisal report may not be used for any purpose other than the purpose stated in the report by any person or corporation other than the client or the party whom it is addressed or copied without the written consent from the appraiser, and then only in its entirety. All valuations in the report are applicable only under the stated program of Highest and Best Use, and are not necessarily applicable under other programs of use. The value of a component part of the property is applicable only as a part of the whole property. The physical report(s) remains the property of the appraiser for the use of the client, the fee being for the analytical services only.

Neither all, nor any part of the contents of this report, shall be conveyed to the public through advertising, public relations, news, sales, or other media, without the prior written consent and approval of the author, particularly as to valuation conclusions, the identity of the appraiser, or firm with which he is connected, or any reference to the Mater Appraisal, or the MSA designation. Disclosure of the contents of this report is governed by the By-Laws of Regulations of the Master Appraisers and the Utah Appraisal Board.

### **3. Third Parties:**

No third parties may rely upon this appraisal report for any purpose whatsoever, including the provision of financing for the acquisition of improvement of the subject. This appraisal was prepared specifically for our client. Third parties who desire us to prepare an appraisal report on the subject property for their use should contact the signatory of this report.

4. Confidentiality:

The appraiser may not divulge the material (evaluation) contents of the report, analytical findings or conclusions, or give a copy of the report to anyone other than the client or his designee as specified in writing (except as may be required by the Master Appraiser as they may request in confidence for ethics enforcement), or by a court of law or body with the power to subpoena. [USPAP, Ethics Provision.]

5. Use in Entirety:

This appraisal is to be used only in its entirety and no part is to be used without the whole report. All conclusions and opinions concerning the analysis that are set forth in the report were prepared by the appraiser whose signature appear on the appraisal report, unless indicated as "Review Appraiser." No change of any item in this report shall be made by anyone other than the appraisers, and the appraisers and associated company shall have no responsibility if any such unauthorized change is made.

6. Information and Data:

No responsibility is assumed for accuracy of information furnished by or from others, the client, his designee, or public records. We are not liable for such information or the work of possible sub-contractors. The comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction or from affidavit; are considered appropriate for inclusion to the best of our factual judgment and knowledge and is accepted as satisfactory evidence upon which rests the final expression of property value. It is assumed that all information known to the client and relative to the valuation has been accurately furnished and that there are no undisclosed leases, agreements, liens, or other encumbrances affecting the use of the property.

7. Court Testimony/Consultation:

The contract for appraisal, consultation or analytical service is fulfilled and the total fee payable upon completion of the report. The appraiser or those assisting in preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal, in full or in part, nor engage in post appraisal consultation with client or third parties except under separate and special arrangement and at an additional fee. (Please refer to the Contract for Appraisal Services: "Additional" Services Rates for itemized fee schedule.)

8. Exhibits:

The sketches included in the report are only to aid the reader(s) in visualizing the property and are not necessarily to scale. Sizes and dimensions should not be scaled from the sketches. Various photos, if any, are included for the same purpose and are not intended to represent the property in other than actual status, as of the date of the photo.

9. Legal, Engineering, Financial, Structural, Hidden Components:

No responsibility is assumed for matters legal in character of nature, whether existing or pending, nor matters of survey, nor of any architectural, structural, mechanical or engineering nature. The property is appraised as if free and clear, unless otherwise stated in particular parts of the report. No opinion is rendered as to the title, which the appraiser(s) assumes to be good and merchantable; the property is an unencumbered fee; and the property does not violate any applicable codes, ordinances, statutes, or other governmental regulations. The property is appraised as though under responsible ownership and competent management. The appraiser(s) assumes that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

10. Legal Description:

The legal description is assumed to be correct as used in this report as furnished by the client, his designee or as derived by the appraiser. The appraiser has neither made a legal survey nor has he commissioned one to be prepared; therefore, reference to a sketch, plat, diagram or previous survey appearing in the report is only for the purpose of assisting the reader to visualize the property.

11. Soil Conditions:

The appraiser inspected, by observation, the land and the improvements thereon; however, it was not possible to personally observe conditions beneath the soil or hidden structure, or their components, or any mechanical components within the improvements; no representations are made herein as to these matters unless specifically stated and considered in the report; the value estimate considers there being no such conditions that would cause loss of value. The land or the soil for the area being appraised appears firm; however, subsidence in the area is unknown. The appraiser does not warrant against this condition or occurrence of problems arising from soil conditions.

12. Unapparent Conditions:

The appraiser inspected, by observation, the land and the improvements thereon; however, it was not possible to observe conditions beneath the soil or hidden structure, or their components, or any mechanical components within the improvements; no representations are made herein as to these matters unless specifically stated and considered in the report; the value estimate considers there being no such conditions that would cause a loss of value. The land or the soil for the area being appraised appears firm; however, subsidence in the area is unknown. The appraiser does not warrant against this condition or occurrence of problems arising from soil conditions.

The appraisal is based on there being no hidden unapparent or apparent conditions of the property site, subsoil or structures that would render it more or less valuable. No responsibility is assumed for any such conditions or for any expertise of engineering to discover them. All mechanical components are assumed to be in operable condition and status standard for properties of the subject type. Conditions of heating, cooling, ventilating, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. No judgment is made as to adequacy of type of insulation or energy efficiency of the improvements or equipment.

13. Copyright Work:

This is a copyright work protected by the laws of the United States (title 17, U.S. Code). It is illegal for anyone to violate any of the rights provided by this Copyright Act.

14. Legality of Use:

The appraisal is based on the premise that there is full compliance with all applicable federal, state and local environmental regulations and laws unless otherwise stated in the report; further, that all applicable zoning, building and use regulations and restrictions of all types have been complied with unless otherwise stated in the report; further, it is assumed that all required licenses, consents, permits or other legislative or administrative authority, local, state, federal and/or private entity or organization has been or can be obtained or renewed for any use considered in the value estimate.

15. Hazardous Materials:

Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraisers. The appraisers have no knowledge of the existence of such materials on or in the property. The appraisers, however, are not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The value estimate is predicted on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, is desired.

16. Component Values:

The distribution of the total valuation of this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.

17. Auxiliary and Related Studies:

No environmental or impact studies , special market study or analysis, highest and best use, analysis study or feasibility study has been requested or made unless otherwise specified in an agreement for services or in the report. The appraiser reserves the unlimited right to alter, amend, revise or rescind any of the statements, findings, opinions, values, estimates or conclusions upon any subsequent such study or analysis or previous study or analysis subsequently becoming known to him.

18. Dollar Values, Purchasing Power:

The market value estimated and the costs used, are as of the date of the estimate value. All dollar amounts are based on the purchasing power and price of the U.S. dollar and financing rates prevailing at the effective date of the value estimate.

19. Inclusions:

Furnishings and equipment or business operations except as specifically indicated and typically considered as a part of the real estate have been disregarded with only the real estate being considered.

20. Proposed Improvements, Conditioned Value:

Improvements proposed, if any, on or off site, as well as any repairs required are considered, for purposes of this appraisal, to be completed in good and workmanlike manner according to information submitted or considered by the appraiser. In cases of proposed construction, the appraisal is subject to change upon inspection of property after construction is completed.

21. Value Change, Dynamic Market, Influences:

The estimated market value is subject to change with market changes over time; value is highly related to exposure, time, promotional effort, terms, motivation, and conditions surrounding the offering. The value estimate considers the productivity and surrounding the offering. The value estimate considers the productivity and relative attractiveness of the property physically and economically in the relative attractiveness of the property physically and economically in the marketplace. The "Estimate of Market Value" in the appraisal report is not based in whole or in part upon race, color or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.

22. Management of the Property:

It is assumed that the property, which is the subject of this report, will be under prudent and competent ownership and management, neither inefficient nor super efficient.

23. Fee:

The fee for this appraisal or study is for the service rendered and not for the time spent on the physical report.

24. Interest Appraised:

The valuation estimate applies only to the property specifically identified and described in the ensuing report. The value reported is only applicable to the property rights appraised and the report should not be used for any other purposes.

25. Publication:

Neither all, nor any part of the contents of this report, shall be conveyed to the public through advertising, public relations, news, sales, or other media, without the prior written consent and approval of the author, particularly as to valuation conclusions, the identity of the appraiser, or firm with which he is connected, or any reference to the Master Appraisers, the MSA.

26. Federal/Professional Guidelines:

The Report has been prepared in conformity with, and is subject to the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation and required by the Utah Board of Appraisal licensure law for all licensed State of Utah appraisers; the appraisal standards required by Title XI of FIRREA (Federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989) and the OCC (Office of the Comptroller of the Currency); the Office of Thrift Supervision CFR insurance regulation 563.17-1a and policy statement 571.1b, effective January 7, 1988, and the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Master Appraisers.

27. Americans with Disabilities Act:

The Americans with Disabilities Act ("ADA") became effective January 26, 1992. I have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since I have no direct evidence relating to this issue, I did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.



28. Intended User and Intended Use:

The information contained in this report is specific to the needs of the client and for the intended use stated in this report. It is written at a level that requires the reader to have a sophisticated knowledge of complex real estate issues, complex appraisal methodology and a geographical familiarity with the subject, and is not written for, nor expected to be understood by the public at large. The client and/or intended user is expected to review this report in a timely manner and if questions or concerns about this appraisal or appraisal report arise, communicate those to the appraiser in a timely manner. If, after sixty days from the date of the delivery of this report, no questions or concerns about the appraisal or appraisal report have been communicated to the appraiser, no questions or concerns are assumed to exist. The appraiser is not responsible for unauthorized use of this report.

Any action taken by any third party, including but not limited to governmental bodies such as the State Board of Appraisal, relating to the use of this report that require legal representation of the appraisers, the cost of such legal representation shall be borne by the third party.

Joseph Dunlop will expect to be held harmless from all claims that might be brought by third parties that relate in any way to claims for injury or damage suffered as the result of the implementation of any advice may have given or service I may have rendered in this connection.

29. Jurisdictional Exception Rule:

The Jurisdictional Exception Rule states "If any part of these standards is contrary to the law or public policy of any jurisdiction, only that part shall be void and of no force or effect in that jurisdiction." There are no Jurisdictional Exceptions that apply to this report.

30. Supplemental Standards Rule:

Supplemental Standards are defined as "an assignment performance requirement that adds to the requirements in USPAP." There are no supplemental standards that apply to this report.

31. Acceptance of this report:

Separation of the signature pages from the balance of my report invalidates the value conclusion. The valuation estimate applies only to the property specifically identified and described in the ensuing report. The value reported is only applicable to the property rights appraised and the report should not be used for any other purposes. Acceptance of, or the use of, this appraisal report constitutes acceptance of the above conditions.

## **PRELIMINARY APPRAISAL REPORT**

### **PROPERTY IDENTIFICATION**

The property is a lode claim identified as WMC 261447 (Snowy Range FC# A-22) Located in Carbon County, Wyoming

### **LEGAL DESCRIPTION**

See Notification and Certificate of Location – Lode in Addendum. This Notice and certification is recorded at 0910314 Book 1065 Page 0141 Carbon County Records Office.

NW1/4 of Section 14 Township 15 North Range 80 West 6<sup>th</sup> P.M. Carbon County, Wyoming.

Total Acreage is 20 acres; the central 10 acres are the subject of this report.

### **PURPOSE OF THE ANALYSIS**

The purpose of this report is to estimate market value of the subject property “as is”. The appraisal will be used in obtaining financing for the development of the property for mining. The Appraisal is prepared for Robert Hayek and his assignees.

### **DEFINITION OF MARKET VALUE**

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, The buyer and seller, each acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specific date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable to thereto; and (5) the price represents the normal

consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

### **PROPERTY RIGHTS**

Property rights are leasehold in the name of Wyoming Mineral Resources LLC.

### **ANALYSIS DATE**

The value date is November 23, 2005

### **OWNERSHIP**

The owner of the subject property is United States of America according to Carbon County records, subject to a lode claim WMC 261447 (Snowy Range FC-A22) by Wyoming Mineral Resources, LLC.

### **PRIOR SALES**

There was no sale of the subject property in the last three years according to records available to the appraiser.

### **SITE DESCRIPTION**

#### **PHYSICAL CHARACTERISTICS**

Dimensions: 600 X 1,500

Total Area: 20 Acres

Subject 10 Acres in the center of the lode claim

### **PROPERTY TAXES**

This property is not subject to taxes no assessed because it is owned the United States of America

### **UTILITIES**

No utilities are available at the site.

### **STREET IMPROVEMENTS**

The subject does not front any improved roadways.

### **EASEMENTS and RESTRICTIVE COVENANTS**

There is a recreational and grazing easement on all National Forest land.

Restriction on access may only be done where there is danger because of the mining operations

### **NUISANCES and HAZARDS**

There is no evidence of hazards or nuisances associated with the site.

### **FUNCTION ADEQUACY**

The site is typical for mining property.

### **RELATIONSHIP of SITE to SURROUNDING**

All the sites around the subject are mining claims or grazing rights, and owned by the United States of America.

### **ZONING**

Zoning, by Carbon County, Grazing and Mining

### **HIGHEST AND BEST USE**

Definition - "That probable use for which the land (1) is physically suitable, (2) is legally permitted or is likely to be permitted by governing jurisdiction, (3) is economically feasible, and (4) supports the highest land value."

In general, land value increases as density of use increases. It follows then, that the highest and best use of vacant land is for development to the highest density use allowed or likely to be allowed under the prevailing zoning, subject however, to physical and economic limitations.

The subject lies in an area of mineral deposit and natural vegetation. This area has three uses: recreation, grazing and mining. The value of the land under the first two uses is less than the mining value. The mining value is based upon the

net present value of the minerals extracted from the land after all associated cost has been removed. The value of the grazing is the going rate the National Forest Services charges for the rights. There are no charges for recreational uses. The three uses are not mutually exclusive.

The highest and best use for the subject is determined to be mining development.

This use is consistent with the other uses in the area.

### **VALUATION APPROACHES**

There are three primary valuation approaches recognized within the appraisal profession for the valuation of real property, which are the cost, income, and sales comparison approaches to value. Each has its own weaknesses and strong points in estimating market value. Because the subject is land, only the land valuation is used.

### **LAND VALUATION**

Land is valued by discounting the cash flow, that can be generated by the sale of the minerals less the cost associated with the extraction and refining of the precious metals.

Since the value of the land is based upon the metals extracted, the comparison of other lode claim transfers is difficult since this information is considered a trade secret and will vary based upon the recovery rates of the precious metals.

Mining properties are listed at ten percent of their reserve value and sell slightly below that level.

Therefore only the discounted cash flow analysis is used in the estimation of the value of the lode claim.

In order to establish the cash flow, an estimate of the reserves is required. This estimate is made by Donald J. McCoy Mine Engineering Services reported August 13, 1985. This report was completed on 51 acres, which includes the subject 10 acres. The estimate is made by looking at the core samples taken in the area, and assayed. The assay reports and the reserves report are contained in the addendum.

The assay reports show that per each ton of mineral rock, the following minerals could be recovered in ounces. The ounces used were at the mid point of the assay reports. The actual recovery will vary depending on depth and location in the deposit.

Gold 11

Silver 18

Platinum 22.5

Rhodium 53.2

The value on the spot market helps provide an indication of what the finished product could bring in the open market. It should be understood that the values are subject to constant change. Therefore the appraiser used the lower points on the spot market.

Cost to extract the mineral rich rock is estimated as well as the cost to refine the minerals and overhead. These costs have been estimated on the high side to account for unforeseen cost, common in any mining operation.

This provides a net income that can be expected over the life of the project. Since this cannot be all completed in one year, it needs to be broken down to a yearly income that needs to be discounted for the time value of money. Because of the risk involved in this type of venture, a discount rate of 20% is used. This

rate reflects the possibility of reaching the desired levels of minerals and the possibility of a changing market.

The value of the holdings is estimated with the following estimates:

### **Reserves**

Total reserves area estimated at 50,578,708 tons in 51 acres. The subject 10 acres lay in the middle of this reserve,  $50,578,708 \text{ tons} / 51 \text{ acres} = 991,739 \text{ tons per acre}$ . 10 acres will have a reserve of 9,917,390 tons.

### **Gross Income**

It is expected that the following quantities will be recovered from the rock through normal processing.

Mineral	Ounces per Ton	Estimated ounces	Price per Ounce	Estimated Value For Minerals
Gold	11	109,091,331	\$460.00	\$50,182,012,251
Silver	18	178,513,087	\$7.80	\$1,392,402,079
Platinum	22.5	223,141,359	\$900.00	\$200,827,222,941
Rhodium	53.2	527,605,346	\$2,000.00	\$1,055,210,692,392
Gross Value				<u><a href="#">\$1,307,612,329,663</a></u>

The estimated value of the reserves is:

**ONE TRILLION THREE BILLION DOLLARS**  
**(1,300,000,000,000)**

### **Expenses per Ton**

Extraction \$ 350

Refining \$1,800

Overhead \$ 350

Total Expenses  $\$2,500 \times 9,917,390 \text{ tons} = \$24,793,482,353$

### **Project Net Income**

Total Gross Income \$ 1,307,612,329,663

Less Total Expenses \$ 24,793,482,353

Net income \$ 1,282,818,847,310

### **Discounted Cash Flow**

This amount of net income will be developed over the next 40 years. If you average the income over that forty-year period, the annual income is \$32,070,471,183.

The discount rate that is used is 20%. This rate is higher than normal to account for the uncertainties associated with mining on Nation Forest Land and the additional risk with tunnel mining. Discounting this amount and expecting one to two years for the revenue to start, indicates a value of \$128,264,833,143 rounded

### **RECONCILIATION**

The discounted cash flow indicate a value of \$128,300,000,000

The indication of value is:

**ONE HNDRED TWENTY EIGHT BILLION THREE HUNDRED MILLION**

**DOLLARS**

**(\$128,300,000,000)**



**FINAL ESTIMATION OF MARKET VALUE**

I estimate the market value of the subject mining property as of November 22, 2005 to be:

**ONE HNDRED TWENTY EIGHT BILLION THREE HUNDRED MILLION  
DOLLARS**

**(\$128,300,000,000)**



Joseph Dunlop