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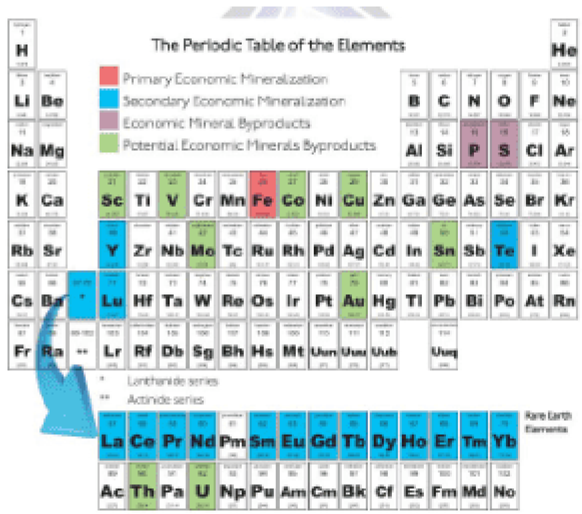
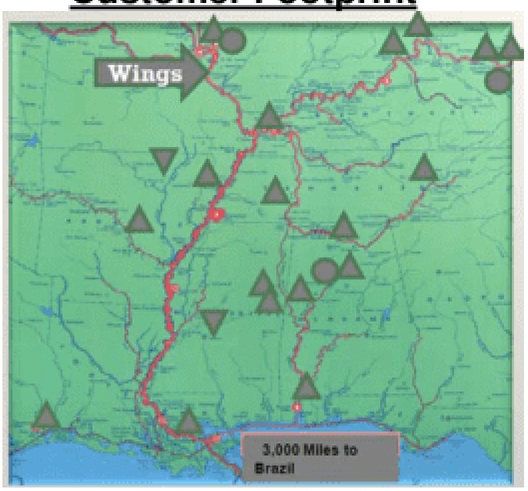
WINGS ENTERPRISES, INC

Pig Iron

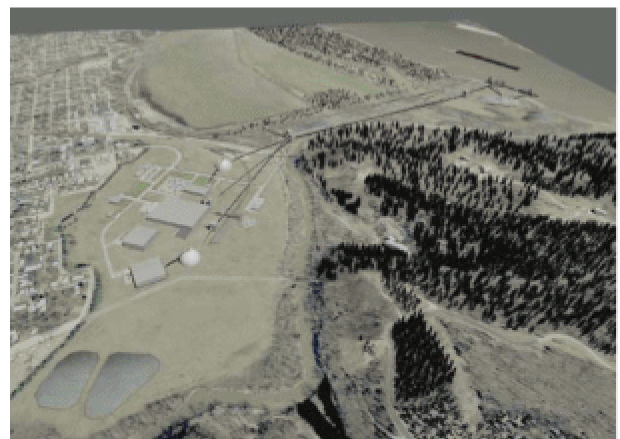


Specialty/Chemical Oxides

Customer Footprint



Proposed Pig Iron Plant



Proposed pig iron pellet facility and barge & rail interchange on the former PPG site.

Geography

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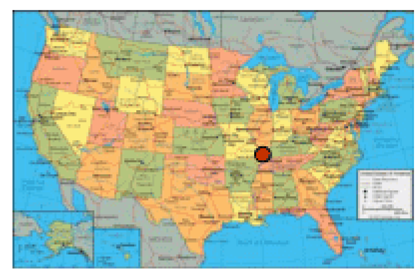
Crystal City
(Wings)

600
miles

Gulf of Mexico

~5,000 miles to Sweden

~6,000+ miles to Eastern Europe



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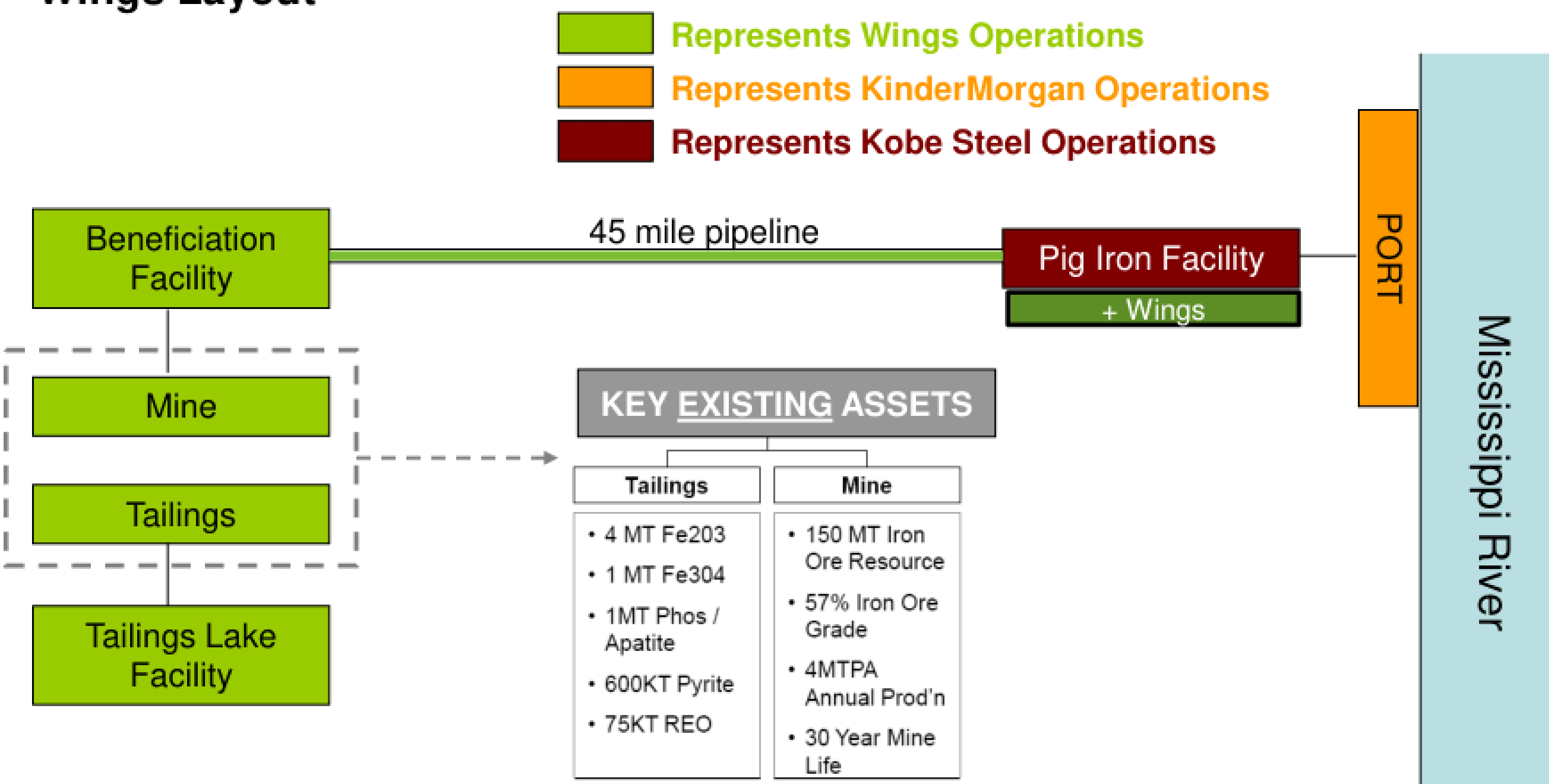
Wings Layout



Phase	Capex Needs ($mm)	
I	Initial capital raise (miscellaneous uses)	$40.0
	Development costs:	
II	Mine development costs	$180.0
II	Iron ore beneficiation facility	$150.0
II	Tailings lake facility	$150.0
	Total (Gross)	$520.0
	- Tailings monetization (@ 25% disc. rate)	($215.4)
	Total (Net)	**$304.6**

Initial Capital Raise Breakout	
Payoff existing liabilities	$20.0
Complete feasability studies	$7.0
Misc working capital	$13.0
Total	$40.0

Excludes Kobe Steel development:
(1) Pig Iron Facility = $400mm-$700mm
Excludes Kindermorgan development:
(2) Port = $600mm

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Overview of Process

6mm tonnes iron ore mined (~57% Fe)

↓

Beneficiation

↓

4mm tonnes of concentrate (~70% Fe)

1mm tonnes of **<u>OXIDES</u>**
- Specialty oxides (70%-71% Fe)
- Chemical oxides (71.6% Fe)

3mm tonnes of **<u>IRON ORE</u>**
- ~70% Fe

All sold to Pig Iron Partner for pig iron production

↓

2mm tonnes of final **<u>PIG IRON</u>** product
- ~97% Fe, 3% carbon

(Pig Iron/Wings) owns (20%/80%) of pig iron process

Product Margins and Free Cash Flow Yield Calculations

Products

Oxide Margins		
Price ($/tonne)	$250 /tonne	
Volume (tonnes)		0.600
Revenue		$150
Cash cost	$60 /tonne	$36
Transportation	$10 /tonne	$6
Total cost	$70 /tonne	$42
EBITDA	**$180 /tonne**	**$108**
% margin		*72%*
Wings ownership (100%)		**$108**

Iron Ore Margins		
Price ($0.86/dmtu)	$60 /tonne	
Volume (tonnes)		3.400
Revenue		$204
Cash cost	$47 /tonne	$160
Transportation	$2 /tonne	$7
Total cost	$49 /tonne	$167
EBITDA	**$11 /tonne**	**$37**
% margin		*18%*
Wings ownership (100%)		**$37**

Pig Iron Margins			
Price ($/tonne)	$400 /tonne		
volume (tonnes)		2.244	
Revenue		$898	
Cash cost	$300 /tonne	$673	
Transportation	$10 /tonne	$22	
Total cost	$310 /tonne	$696	
EBITDA	**$90 /tonne**	**$202**	**$347**
% margin		*23%*	
Wings ownership (80%)		**$162**	**$307**

Free Cash Flow Yields

Unlevered FCF Yield %	
Misc start-up costs	$50
Tailings facility	$150
Mine development costs	$180
Benefication facility	$150
Pipeline	$70
Total (Gross)	$600
- Tailings monetization	($175)
Total (Net)	$425
Unlevered FCF (LOM average)	$176
yield %	***41%***

Financial Partner Levered FCF Yield %	
Financial Partner Investment	$150
Levered FCF (steady state)	$171
Ownership %	70%
Financial Partner FCF	$119
yield %	***80%***

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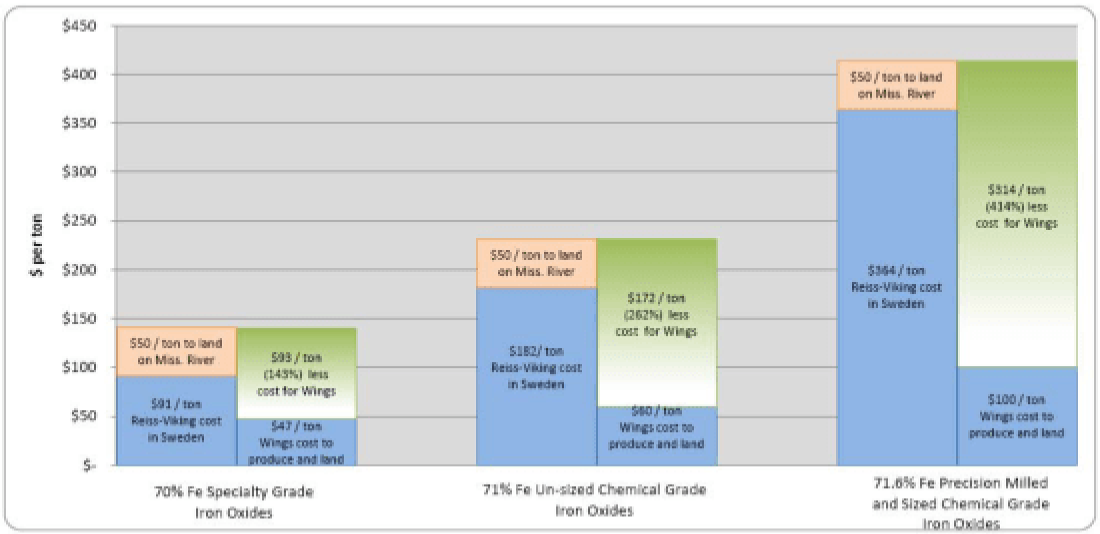
Overview #1: Oxides

- ~1mm tonne market in the U.S.
- There are only two mines globally which contain sufficient Fe content to produce specialty and chemical oxides
- Historically, the Pea Ridge Mine was the sole supplier of oxides to the U.S. market
- When Pea Ridge closed in 2001, oxide purchasers were required to switch to the Kiruna Mine in Sweden
  - The distance from most U.S. oxide purchasers to the Kiruna Mine is over 5,000 miles
- Jim Kennedy can hire Gene Koebbe, the former Quality Control and Customer Representative for Pea Ridge, now working for Reiss Viking / Koch as well as someone from Prince and Akers

Type	End Market	Customers	Price/ton	Volume	Revenue
Specialty grade	Water treatment	Kemira, General Chemical	$130-$170	100,000 tons	$15.0
	Heavy media	Akers, Massey	$180-$220	400,000 tons	$80.0
Chemical grade 71%	Pigments	Prince, Penn Mag	$230-$350	200,000 tons	$58.0
Chemical grade ++71%	Brake pads, ceramics	Misc	$400-$1,200	150,000 tons	$120.0
			$321	**850,000 tons**	**$273.0**

Production and Logistical Cost Comparison

Reiss-Viking (Kiruna Mine in Sweden) vs. Wings Enterprises (Pea Ridge Mine in Missouri)



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% margin		*72%*

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Overview #2: Iron Ore

- The ideal strategy is to lock in 3mm tons of iron ore sales to our pig iron partner
  - -The vast majority of iron ore is concentrated in the Mesabi region of the U.S. and is owned by vertically integrated BOF steel producers
  - - Cleveland Cliffs is the only major merchant iron ore producers in the U.S.
  - - The market is very tight with few imports/exports
  - - Merchant sales of iron is a suboptimal strategy
    - - Wings' cash cost is competitive, but it would be reliant on robust steel production such that BOFs possess insufficient capacity

Iron Ore Cost and Margin Comparison

Average 65% Fe North American Steel Grade Iron Ore vs. 70% Fe Wings Special Grade Iron Ore

Production Cost per Ton / Finished Ton		
Wings		
	Production	**Cost/Ton**
Hoisted Cost Per Ton	$22.45 x 6mm tpy	$33.40
70% Fe Concentrate	$11.50 x 4mm tpy	$11.50
Pipeline to River	$2.10 x 4mm tpy	$2.10
Fully Diluted Worst Case Production Cost [1]		**$47.00**
Cleveland Cliffs		
Cash Operating Expenses		$1,499
Tonnes (mm)		22.7
Cash Cost ($/tonne)		**$66.04**

Iron Ore Margins		
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Total cost	$49 /tonne	$167
EBITDA	**$11 /tonne**	**$37**
% margin		*18%*
Wings ownership (100%)		**$37**

[1] Includes dewatering cost at River Site

[2] Wings 70% magnetite concentrate. If one assuming a $1.32dmtu, then Wings' product would earn $1.32 x 5 = ~$6.50/ton more than Cleveland Cliffs

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Overview #3: Pig Iron

- **Market Overview:**
  - -The U.S. imports 4-10mm tons of pig iron annually from Brazil (70% of imports) and Eastern Europe (20%)

- **3 types of pig iron:**

Type	End Market	Ingredients
Basic	EAF steel production & iron castings	<1.5% Silicon, 0.5-1.0% Mg, <0.12% Phos
Foundry grade	**Grey iron castings**	**<1.5%-3.5% Silicon, 0.5-1.0% Mg, <0.12% Phos**
Nodular	Ductile iron castings	<0.05% Mg, <0.05% Phos

← Wings will produce foundry grade (15-20% premium)

- **Pricing:**
  - Pricing is a function of scrap price and capacity utilization in steel mills (i.e.- if scrap price ↑ or utilization ↑ then pig iron price ↑)
  - Kobe Steel estimates the long-term price of pig iron to be $400/ton
  - Brazilian pig iron cash costs are about $500/ton FOB
  - When pig iron prices last hit $250/ton, 80% of Brazilian capacity was curtailed

- **Strategy:**
  - Wings has close geographic proximity to 27 EAFs in the region

Pig Iron Margins		
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Overview #3: Pig Iron

Pig Iron Cost Comparison (Wings vs. Brazil)						
			Wings		Brazil	
Consumption per ton	**Unit Amount**	**Unit Cost**	**Cost/ton Nuggets**		**Cost/ton Nuggets**	
Iron oxide (t)	1.5	$47	$71	<	$208	
Coal (t)	0.5	$325	$163	=	$163	
Natural gas (GJoules)	5.0	$4.00	$20	<	$33	
Other ($)			$64	>	$45	
Subtotal			**$317**		**$449**	
Logistics Brazil			-	<	$32	
Ocean Freight			-	<	$20	
Logistics USA			$10	<	$13	
Total			**$327**		**$514**	
Yield increase/Cost Decrease			10%		0%	
Total Cost ($/ton)			**$294**		**$514**	**75% greater**
Foundry grade premium			($50)		-	
Total Cost ($/ton) - w. foundry prem.			**$244**		**$514**	**110% greater**

Wings will produce a +70% Fe, increasing yields by 10% or more.

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Overview #3: Pig Iron (Cont'd)

- **Existing project: Mesabi Nugget Project – Steel Dynamics and Kobe Steel**
  - Currently producing 500,000 tons and plans to increase production (all for Steel Dynamics internal consumption)
  - Start-up capex per unit $200mm-$250mm
  - Kobe Steel also has a project in Vietnam producing 2mm tons per year with 3 units
  - Kobe would arrange financing for 70%-80% of the pig iron facility

- **There are currently no merchant pig iron producers in the United States**
  - Almost all domestic iron ore is controlled by vertically integrated BOFs who do not to supply their EAF competitors with supplies
  - Pig iron production has historically been a very pollutive and energy intensive endeavor
  - EAFs historically purchased pig iron from Brazil which lacked environmental regulations and access to cheap charcoal/coke
  - Coal currently sells for $325/ton
  - Pig iron production normally requires 0.5-0.6 tons of charcoal/ coke for each ton of iron ore

- **Wings' pig iron technology**
  - Kobe system is attractive because it requires half the levels of charcoal/coke
  - Wing's technology reduces emissions by 40% and energy use by 30%
  - We can use Kobe Steel's ITkm3 technology to produce pig iron with a cost/ton of $300/ton
  - Jim Kennedy prefers to use Omnisource's technology with a cost/ton of $200-$280/ton

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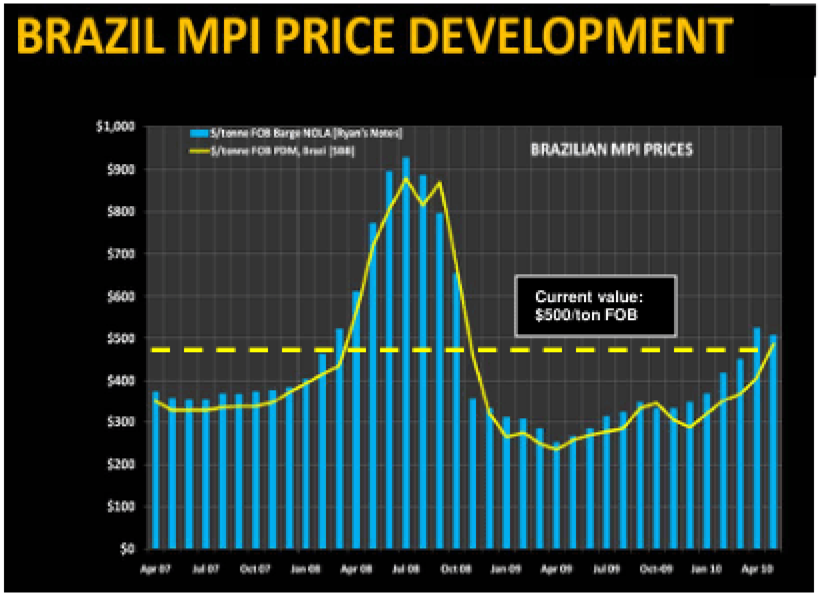
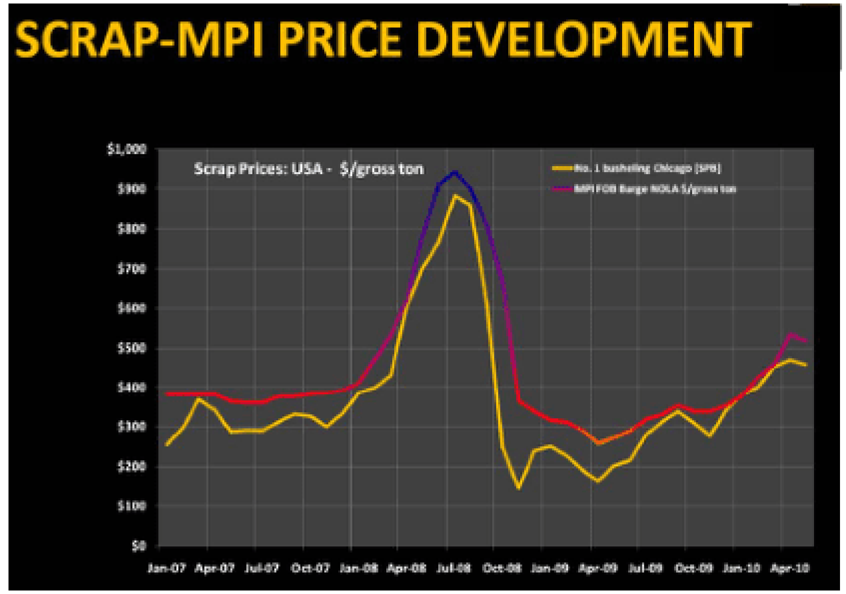
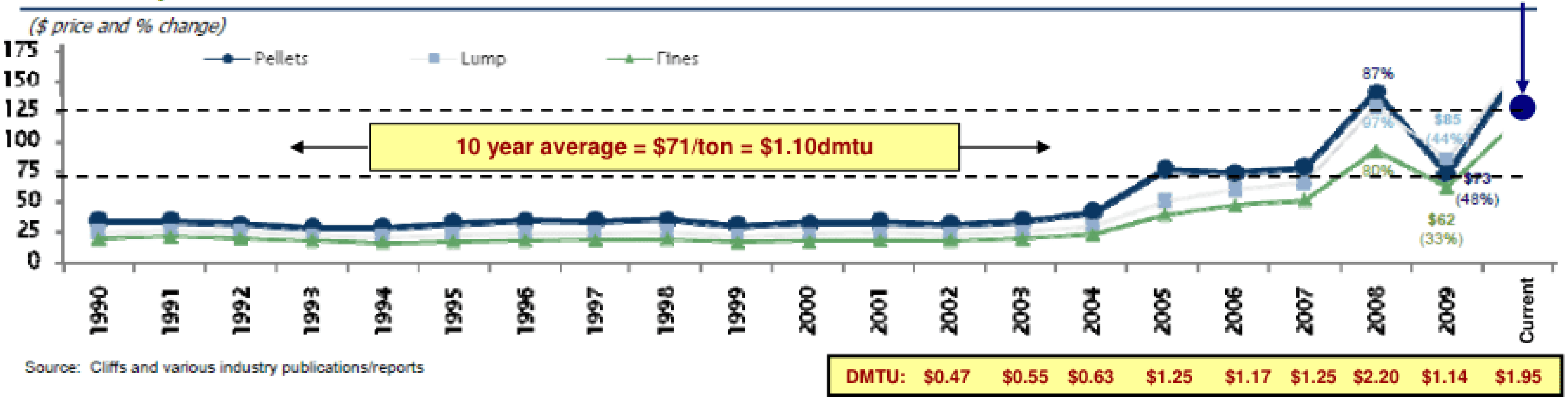
Historical Pricing





Iron ore prices ($/metric ton based on 64% iron content)

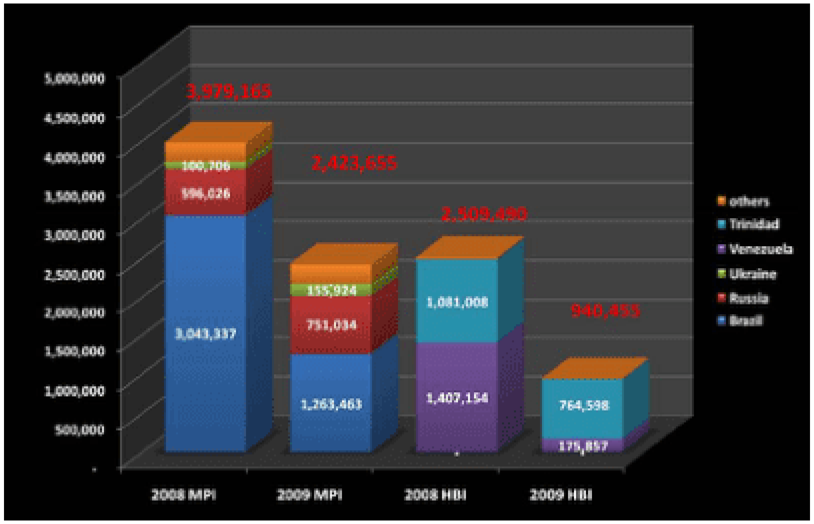
Current value: ~$125/ton CFR



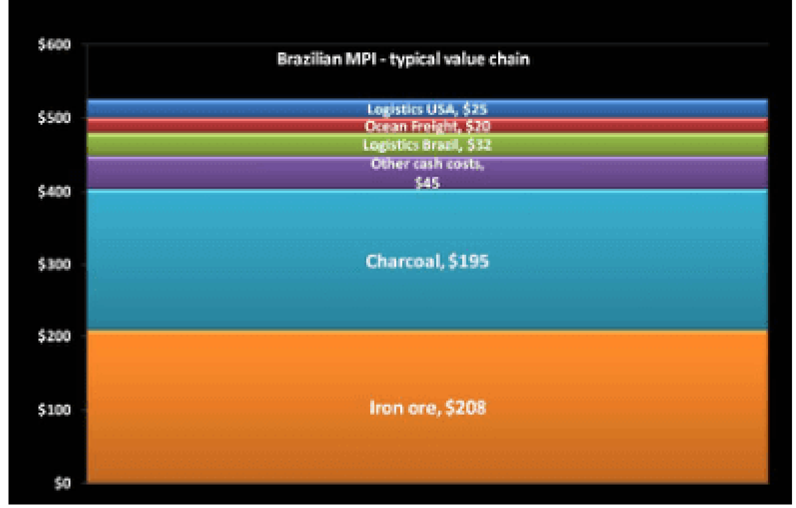
Source: Cliffs and various industry publications/reports

Pig Iron Data

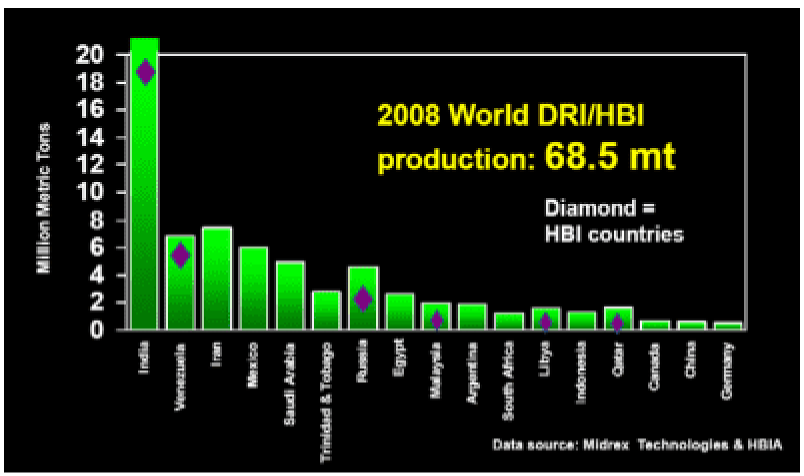
USA Ore Based Metallics Imports - Tonnes



MPI - VALUE CHAIN



2008 DRI/HBI Production



MPI COST STRUCTURE

- **Raw Materials**
  - Iron ore [~1600 kg / 1000 kg pig iron]
  - Coke or charcoal [500-600 kg or 2.5-3.0m³ / 1000 kg pig iron]
  - Fluxes, etc.
- **Production**
  - Smelting + metal treatment + casting
- **Logistics**
  - Delivery to FOB [barge/rail/terminal, etc.]
  - Ocean freight
  - Delivery to customer [discharge/barge/rail/truck/stockyard, etc.]
- **Financing**
- **Trader/distributor margin**

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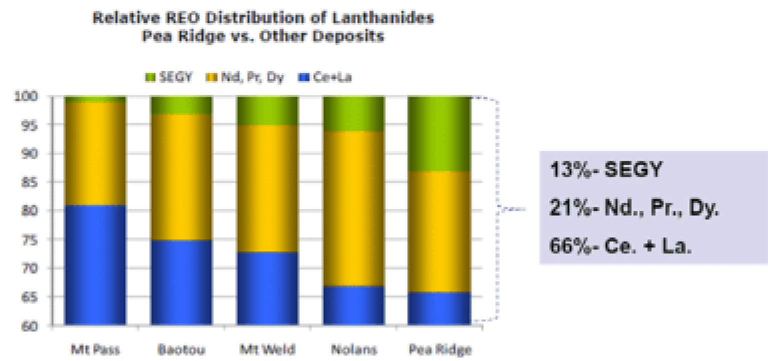
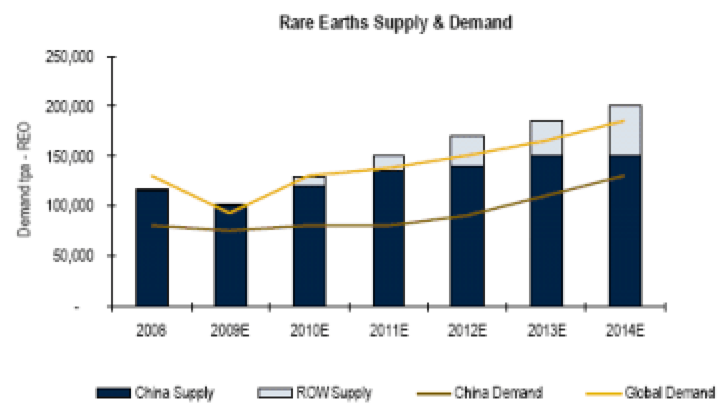
Rare Earth Metals

- Pea Ridge possesses the highest value of heavy rare earth elements of any permitted mine globally
- The Pea Ridge deposit is classified as a "Strategic and Critical" asset by the USGS
- Producing 20,000tpy of rare earth concentrates could possibly be more valuable than the 4mm tonnes of iron ore concentrates
- Much of Wings rare earth ore production will be at no cost, as it is a byproduct of the normal beneficiation process for the iron ore
- China controls ~97% of total rare earth supply
- Global demand expected to grow to190–210kt REO per year by 2014, representing a +10% CAGR over 2008 levels (124kt)
- China expected to supply only 160 –170kt per year by 2014
  - -The numbers above suggest a minimum shortfall of 30kt annually. GMP notes that the shortage could be as high as 50kt annually
  - -Global availability of REOs will depend to a large extent on China's export policies. Further restrictions will increase the planned shortfall.
- The lower value REE from the mine could sell for $11/kilo ($11,000/ton) – volume would be ~5,000 tpy
- The higher value REE from the breccia pipes could sell for $18/kilo ($18,000/ton) - volume would be ~10,000 tpy

Pea Ridge has the highest value Heavy Rare Earths Distribution of any Permitted mine in the World



SEGY = Heaviest and Most Valuable (Samarium, Europium, Gadolinium, Yttrium, and Terbium)
Nd, Pr, Dy = The Middle REO Values (Neodymium, Praseodymium and Dysprosium)
Ce + La = The Light, abundant and lowest value (Cerium and Lanthanum)



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Investment Merits

1

- **One of the two highest quality magnetite reserves mines in the world (57% Fe ore and 70% Fe concentrate)**
  - Capable of serving the specialty and chemical oxides markets (+$250/ton price) and foundry grade pig iron (15-20% premium to basic)

2

- **Low cost producer at $47/ton**
  - *Iron ore:* $47/ton fully diluted cost vs. $65-$75/ton for the industry[1]
    - $40/ton "apples to apples" cost comparison with 65% Fe producers and ~$28/ton if byproduct production is included[2]
  - *Oxides*: Kiruna Mine (Sweden) has 4x higher cost structure excluding transportation cost of ~$50/ton
  - *Pig iron:* Cost basis (FOB) could be the lowest globally - $300/ton potential + $10/ton transportation = $310/ton

---

3

- **Logistical advantage**
  - *Pig iron* – Wings can function as the only U.S. merchant pig iron producer servicing a 500 mile circumference primarily by barge
    - 4-10mm tons demand currently serviced by Brazil (+3,000 miles from Nola) and Eastern Europe (+6,000 miles from Nola)
  - *Oxides* – Specialty/chemical oxide producers currently source product from the Kiruna Mine in Sweden (+5,000 miles)

4

- **Upside Potential From Other Assets**
  - Byproducts (cob rock, phosphorous, and REM) could generate north of $2,000mm LOM

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(1) $65-$70/ton operating cost for Cleveland Cliffs and $75/ton-for N.A; Australia estimated at $45/ton; China can range from $40/ton-$80/ton
(2) $40/ton effective cost = [$47.00 - $1.32 x (70%-65%)]; Byproducts could reduce cost/ton by another $10-$14/ton

Financial Model

Liquidation Analysis

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ASSET LIQUIDATION VALUATION SUMMARY		
Asset:	*Full Feasability Sale Value*	*$ amt*
Under Ground Iron Ore Deposit:		
150mm tons of proven reserves	= 3x reserves = $450mm - $330mm startup costs	$120mm
105mm tons of finished iron ore	It would cost over $150mm to discover and "prove out" a green field ore body of similar size today (no permits or infrastructure included)	
Existing Operations:		
330,000 tons at surface of mine	Residual from 38 yrs of running the mill This is finished inventory; Sold as off spec oxides [330kT x (1-31% loss)] x ($120/ton - $18/ton) = $24mm	$20mm
Tailings Lake Reserve:		
	(1) *Rare Earths*: REE willing to pay $25mm for 25% of the rare earths = $100mm value (2) *Hematite* - 4MT x $77/ton (price) - $15/ton (transport) - $18/ton (processing) = $175mm (3) *Magnetite* - 1MT x 31% loss = 700kT x $200/ton (price) -$15/ton (transport)-$18/ton (processing) = $115mm MINUS $150mm cost for tailings lake facility	$240mm
River Property/Port		
	Jefferson County has approved $21mm of Industrial Revenue Bonds for other real estate properties. Wings would own 2.5 miles of riverfront properties. Jim believes the value is: $50-100mm	$10mm
	Total	**$390mm**

Value Not Included

(1) Capex funded by Bethlehem Steel from the 1950s-2001 (invested $75mm into the mine in 1950s alone)
(2) Two major rail lines (BNSF and Union Pacific) intersecting on the property
(3) Two shafts in the mine which go down 2,500 feet
(4) 5 miles of underground roads
(5) 30MW of electrical service onsite

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Sources & Uses

	SOURCES ($mm)		
	$ amt	**%**	**Rate**
Debt: pipeline	$70	10%	4.0%
(a) Debt: mine development & facilities	$240	36%	8.0%
(b) Taillings Monetization	$215	32%	NA
Financial Partner - Common Equity	$150	22%	NA
TOTAL	**$675**	**100%**	

Equity Ownership	Existing	Post Deal
Jim Kennedy/Nina Abboud	30%	30%
Glencore	70%	30%
Financial Partner	-	40%
TOTAL	100%	100%

	USES ($mm)		
		$ amt	**%**
Phase I	Misc start-up costs	$40	6%
	Iron ore development costs:		
Phase II	Mine dev. costs (start up)	$180	27%
Phase II	Iron ore beneficiation facility	$150	22%
Phase II	Tailings lake facility	$150	22%
Phase II	Pipeline system w. dewater	$70	10%
Phase II	Cash on balance sheet	$85	13%
	Dividend	-	-
	TOTAL	**$675**	**100%**

(a)

Debt: Mine Development and Facilities	Asset Amt	% Debt	Debt Amt
Tailings facility	$150.0	50%	$75.0
Mine development costs	$180.0	50%	$90.0
Benefication facility	$150.0	50%	$75.0
	$480.0		**$240.0**

(b)

Tailings Monetization[2]		Year 1	Year 2	Year 3	Year 4	Year 5	Total
Revenue	$850.0	170.0	170.0	170.0	170.0	170.0	850.0
EBITDA	$400.0	80.0	80.0	80.0	80.0	80.0	400.0
NPV @ 24.9%	**$215.4**						

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Assumptions

	Cumuluative (Over 5 yrs)	
Iron ore tailings monetization INCLUDED in the Model	Revenue	EBITDA
1) *Hematite* - 4.8MT x 31% loss = 3,360kt x $120/ton (price) - $15/ton (transport) - $18/ton (proces:	$403.2	$292.3
2) *Magnetite* - 1MT x 31% loss = 700kT x $200/ton (price) -$15/ton (transport)-$18/ton (processing)	140.0	116.9
	543.2	**409.2**
Phosphorous and rare earth tailings EXCLUDED from Model		
1) *Phosphorous* - 1MT x $100/ton (price) - $15/ton (transport)-$18/ton (processing)	100.0	67.0
2) *REM* - 75KT x $10/kilo (price) x 1000 kilos/ton -$15/ton (transport)-$18/ton (processing)	750.0	746.0
	$850.0	**$813.0**

	Cumulative (over 30 yrs)
All non-tailings byproducts EXCLUDED from the Model	EBITDA
1) *Cob Rock* - 1MT/yr x $14/ton (price) = $14mm/yr x 30 years	$420.0
2) *Phosphorous* - 300KT/yr (for 5 yrs) and 50kT/yr (for 25 yrs) x $100/ton	275.0
3) *REM* - 144KT x $10/kilo (price) x 1000 kilos/ton	1,440.0
	$2,135.0

- **Pricing**
  - *Iron ore*: $1.10/dmtu (model) vs. $1.95 $/dmtu current value[1]
  - *Pig iron:* $400/ton (model) vs. $500/ton current value
  - *Specialty and chemical oxides:* $250/ton (model) vs. $320/ton (guidance)
    - Low end oxides sell for $140/ton; Heavy: $220/ton; Specialty: +$700/ton
  - *Pricing growth:* 0%

- **Opex**
  - *Iron ore*: $47/ton (model) vs. $47/ton guidance
  - *Pig Iron*: $300/ton (model) vs. $280/ton guidance
  - *Oxides*: $60/ton (model) vs. $47/ton guidance

- **Transportation cost**
  - *Iron ore:* $2/ton
  - *Pig Iron*: $10/ton
  - *Oxides*: $10/ton

- **Tax rate of 35% vs. 23% guidance**

1) Implies $0.86 for every 1% of Fe. Wings' iron ore contains ~70% Fe which equals a price of $0.86 x 70 = $60.00/ton

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EBITDA Build

EBITDA BUILD UP	Year		-4	-3	-2	-1	1	2	3	4	5	6	7	8
Specialty/Chemical Oxides & Iron Ore			**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
Production (mm tones)														
Crude Ore		*<-- 6mm ton capacity*					1.752	5.025	5.500	6.000	6.000	6.000	6.000	6.000
Flotation Concentrate Weight Yield @ %	69.0	*<-- % of crude ore that becomes saleable volume*					1.209	3.467	3.795	4.140	4.140	4.140	4.140	4.140
Revenue														
Specialty/Chemical Oxides														
Volume (tones)	0.600	*<-- U.S. market size ~1mm tones*					0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600
Price ($/tonne)	$250.00	*<-- Low end: $140; Heavy: $220; Specialty: $700+*					$250.00	$250.00	$250.00	$250.00	$250.00	$250.00	$250.00	$250.00
Revenue - Specialty/Chemical Oxides							*150.0*	*150.0*	*150.0*	*150.0*	*150.0*	*150.0*	*150.0*	*150.0*
Iron Ore														
Volume available after oxide sales							0.609	2.867	3.195	3.540	3.540	3.540	3.540	3.540
Iron Ore Fine/Pig Iron Grade, % Fe	70.0	*<-- Avg % Fe grade*												
Fines Concentrate feed, Unit @ $/dmtu	$0.86	*<-- Current value is $1.95*												
Price ($/tone)	$60.00					$60.00	$60.00	$60.00	$60.00	$60.00	$60.00	$60.00	$60.00	$60.00
Revenue (Iron Ore)				-		-	*36.5*	*172.0*	*191.7*	*212.4*	*212.4*	*212.4*	*212.4*	*212.4*
Revenue (Existing Operations)[1]						*4.4*	*4.4*	*4.4*	*4.4*	*3.2*	-	-	-	-
Revenue (Total)						*4.4*	*190.9*	*326.4*	*346.1*	*365.6*	*362.4*	*362.4*	*362.4*	*362.4*
Operating Costs														
Specialty/Chemical Oxides	$60.00	*<-- Majority at $47/ton, Chemical can be 20-30% high*					36.0	36.0	36.0	36.0	36.0	36.0	36.0	36.0
Iron ore (70% Fe)	$47.00	*Fully diluted "all in"; embeds $6/ton of mine developm*					28.6	134.8	150.2	166.4	166.4	166.4	166.4	166.4
Total Operating Cost							*64.6*	*170.8*	*186.2*	*202.4*	*202.4*	*202.4*	*202.4*	*202.4*
Transportation Cost (oxides)	$10.00						*6.0*	*6.0*	*6.0*	*6.0*	*6.0*	*6.0*	*6.0*	*6.0*
Transportation Cost (for iron ore)	$2.00						*1.2*	*5.7*	*6.4*	*7.1*	*7.1*	*7.1*	*7.1*	*7.1*
Memo:														
Fully loaded operating cost		*<-- Effective "all in" cost*					$53.45	$49.25	$49.06	$48.88	$48.88	$48.88	$48.88	$48.88
EBITDA						***4.4***	***119.1***	***143.9***	***147.6***	***150.1***	***146.9***	***146.9***	***146.9***	***146.9***
Pig Iron:														
Concentrate available after oxide sales							0.609	2.867	3.195	3.540	3.540	3.540	3.540	3.540
Pig iron volume	66.7%	*<-- 1.5mm tons concentrate makes 1mm tons pig iro*					0.406	1.912	2.130	2.360	2.360	2.360	2.360	2.360
Price ($350/tonne + $50/tonne premium)	$400.00	*<-- Current value is $500 FOB + $30 transport from B*					$400.00	$400.00	$400.00	$400.00	$400.00	$400.00	$400.00	$400.00
Revenue - Pig Iron		*<-- Earns an extra 15-20% for foundry grade quality*					*162.4*	*764.6*	*852.0*	*944.0*	*944.0*	*944.0*	*944.0*	*944.0*
Operating Costs														
Pig Iron Costs	$300.00	*<-- Brazil = $500/ton; Kobe System = $300/ton; Omn*					121.8	573.5	639.0	708.0	708.0	708.0	708.0	708.0
Total Operating Cost							*121.8*	*573.5*	*639.0*	*708.0*	*708.0*	*708.0*	*708.0*	*708.0*
Transportation Cost (pig iron)	*$10.00*	*<--Barge cost*					*4.1*	*19.1*	*21.3*	*23.6*	*23.6*	*23.6*	*23.6*	*23.6*
Pig Iron EBITDA							**36.5**	**172.0**	**191.7**	**212.4**	**212.4**	**212.4**	**212.4**	**212.4**
Kobe Steel ownership (20%)							7.3	34.4	38.3	42.5	42.5	42.5	42.5	42.5
Wings ownership (80%)							**29.2**	**137.6**	**153.4**	**169.9**	**169.9**	**169.9**	**169.9**	**169.9**

[1] Existing operations consists of a minimum of 330,000 tons of ore sitting at the surface of the mine; this volume is the result of spillage over the 38 years from when the mine was in production
Math on existing operations: $120/ton - $30/ton costs x 330,000 tons x (1-30% loss) = $21 inventory EBITDA over 5 years

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Consolidated Financials

	Case #2: Pig Iron & Oxides - Byproducts (		-2	-1	1	2	3	4	5	6	7	8	9	10
	CONSOLIDATED INCOME STATEMENT		**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
	Memo:													
	Revenue				320.8	938.1	1,027.7	1,120.8	1,117.6	1,117.6	1,117.6	1,117.6	1,117.6	1,117.6
	Operating Costs				172.5	656.5	726.8	800.7	800.7	800.7	800.7	800.7	800.7	800.7
	EBITDA - Mine		**0.0**	**4.4**	**148.3**	**281.6**	**300.9**	**320.0**	**316.9**	**316.9**	**316.9**	**316.9**	**316.9**	**316.9**
	+ EBITDA - Tailings		-	-	-	-	-	-	-	-	-	-	-	-
	- Depreciation & Amortization		0.0	100.0	101.9	107.3	113.3	119.9	126.4	32.9	37.6	38.6	39.1	39.1
	EBIT		**0.0**	**(95.6)**	**46.5**	**174.2**	**187.6**	**200.1**	**190.5**	**283.9**	**279.3**	**278.2**	**277.7**	**277.7**
1.0%	Interest income			0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
8.0%	Interest Expense - Project Financing			19.2	14.4	4.8	-	-	-	-	-	-	-	-
4.0%	Interest Expense - Pipeline			2.8	2.8	1.4	-	-	-	-	-	-	-	-
	Profit before tax			(117.1)	29.7	168.5	188.0	200.6	190.9	284.4	279.7	278.7	278.2	278.2
	NOLs			117.1	87.4	-	-	-	-	-	-	-	-	-
	Taxable income			-	-	81.1	188.0	200.6	190.9	284.4	279.7	278.7	278.2	278.2
	Taxes	35.0%		-	-	28.4	65.8	70.2	66.8	99.5	97.9	97.5	97.4	97.4
	Net income			**(117.1)**	**29.7**	**140.1**	**122.2**	**130.4**	**124.1**	**184.9**	**181.8**	**181.2**	**180.8**	**180.8**
	CASH FLOW STATEMENT													
	Net income			(117.1)	29.7	140.1	122.2	130.4	124.1	184.9	181.8	181.2	180.8	180.8
	+ Depreciation & Amortization			100.0	101.9	107.3	113.3	119.9	126.4	32.9	37.6	38.6	39.1	39.1
	Δ Working Capital			-	-	-	-	-	-	-	-	-	-	-
	Operating Cash Flow			(17.1)	131.6	247.5	235.6	250.3	250.5	217.8	219.4	219.8	219.9	219.9
	Expansionary Capital Expenditures	**Cumulative**												
	Pig Iron Plant Construction	-		-										
	Tailings Lake Facility	(150.0)	-	(150.0)	-	-	-	-	-	-	-	-	-	-
	Beneficiation Plant	(150.0)	-	(150.0)	-	-	-	-	-	-	-	-	-	-
	Mine Development Costs	(180.0)	-	(180.0)	-	-	-	-	-	-	-	-	-	-
	Pipeline	(70.0)	-	(70.0)	-	-	-	-	-	-	-	-	-	-
	Misc Start-Up Costs	(50.0)	-	(50.0)	-	-	-	-	-	-	-	-	-	-
	Expansionary Capex	(600.0)	-	(600.0)	-	-	-	-	-	-	-	-	-	-
3.5%	Maintenance Capex	(979.8)	-	-	(11.2)	(32.8)	(36.0)	(39.2)	(39.1)	(39.1)	(39.1)	(39.1)	(39.1)	(39.1)
	Cash Flow from Investing	(1,579.8)	-	(600.0)	(11.2)	(32.8)	(36.0)	(39.2)	(39.1)	(39.1)	(39.1)	(39.1)	(39.1)	(39.1)
	Cash Flow Available for Debt Paydown		-	-	120.4	214.6	199.6	211.0	211.4	178.7	180.3	180.6	180.8	180.8
	Minmetals debt payoff		-	(14.0)	-	-	-	-	-	-	-	-	-	-
	Industrial revenue bond paydown		-	-	(120.4)	(119.6)	-	-	-	-	-	-	-	-
	Pig Iron debt paydown			-	-	-	-	-	-	-	-	-	-	-
	Pipeline debt paydown			-	-	(70.0)	-	-	-	-	-	-	-	-
	Cash Flow from Financing		-	(14.0)	(120.4)	(189.6)	-	-	-	-	-	-	-	-
	Cash Flow Available for Dividends		**-**	**-**	**-**	**25.0**	**199.6**	**211.0**	**211.4**	**178.7**	**180.3**	**180.6**	**180.8**	**180.8**

IRR Analysis

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		-2	-1	1	2	3	4	5	6	7	8	9	10
		2010	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Dividends:													
Jim Kennedy/Nina Abboud	30.0%	-	-	-	7.5	59.9	63.3	63.4	53.6	54.1	54.2	54.2	54.2
Glencore	30.0%	-	-	-	7.5	59.9	63.3	63.4	53.6	54.1	54.2	54.2	54.2
Financial Partner	40.0%	-	-	-	10.0	79.8	84.4	84.5	71.5	72.1	72.3	72.3	72.3
Total	100.0%	-	-	-	25.0	199.6	211.0	211.4	178.7	180.3	180.6	180.8	180.8
Increase/(Decrease) in Cash on B/S		-	(631.1)	-	-	-	-	-	-	-	-	-	-
RETURNS ANALYSIS - FINANCIAL PARTNER													
Investment		(150.0)											
Dividends from operations - (40% equity stake)		-	-	-	10.0	79.8	84.4	84.5	71.5	72.1	72.3	72.3	72.3
Total		(150.0)	-	-	10.0	79.8	84.4	84.5	71.5	72.1	72.3	72.3	72.3
IRR (held for LOM)	**26.4%**												
MOIC	**10.8x**												
Levered FCF - Total			(17.1)	120.4	214.6	199.6	211.0	211.4	178.7	180.3	180.6	180.8	180.8
Levered FCF - Financial Partner (40% equity)		(150.0)	(6.9)	48.1	85.9	79.8	84.4	84.5	71.5	72.1	72.3	72.3	72.3
Yield %			*(4.6%)*	*32.1%*	*57.2%*	*53.2%*	*56.3%*	*56.4%*	*47.6%*	*48.1%*	*48.2%*	*48.2%*	*48.2%*

Assume Sale of Asset in 2015 (Year 5):	
EBITDA in 2016	$317
Mutliple	5.0x
Enterprise Value	1,584
- Debt	0
+ Cash	44
Equity Value	1,629
Finacial Partner Ownership (40%)	651
IRR (Sale in Year 5)	**34.1%**

		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
RETURNS ANALYSIS - FULL PROJECT													
Unlevered FCF		(460.0)	37.9	120.8	187.8	199.3	210.7	211.1	178.4	180.0	180.4	180.5	180.5
Yield %			*8.2%*	*26.3%*	*40.8%*	*43.3%*	*45.8%*	*45.9%*	*38.8%*	*39.1%*	*39.2%*	*39.2%*	*39.2%*

IRR	**31.1%**
NPV @ 0%	**$2,130**
NPV @10%	**$715**
NPV @20%	**$215**
NPV @30%	**$7**

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Balance Sheet and Operating Stats

BALANCE SHEET				-1	1	2	3	4	5	6	7	8
Assets	Latest B/S	+/-	Opening B/S	2011	2012	2013	2014	2015	2016	2017	2018	2019
Current Assets:												
Cash	0.0	675.4	675.4	44.3	44.3	44.3	44.3	44.3	44.3	44.3	44.3	44.3
Other	0.9		0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Subtotal	1.0		676.4	45.2	45.2	45.2	45.2	45.2	45.2	45.2	45.2	45.2
Gross PP&E	4.4		4.4	604.4	615.6	648.4	684.4	723.6	762.7	801.9	841.0	880.1
Acc. Depr.	(0.7)		(0.7)	(100.7)	(202.6)	(309.9)	(423.3)	(543.2)	(669.6)	(702.5)	(740.0)	(778.6)
Net PP&E	3.6		3.6	503.6	413.0	338.5	261.1	180.5	93.2	99.4	100.9	101.5
Total	**4.6**	**675.4**	**680.0**	**548.9**	**458.2**	**383.7**	**306.3**	**225.7**	**138.4**	**144.6**	**146.2**	**146.7**
Liabilities & Equity												
Current Liabilities	1.0		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Debt:												
Existing Debt	14.0		14.0	-	-	-	-	-	-	-	-	-
Debt: pipeline	-	70.0	70.0	70.0	70.0	-	-	-	-	-	-	-
Debt: mine development & facilities	-	240.0	240.0	240.0	119.6	-	-	-	-	-	-	-
Debt: Pig Iron Facility	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	14.0		324.0	310.0	189.6	-	-	-	-	-	-	-
Equity:												
Existing Common Stock	0.1		0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Glencore - Equity	-	-	-	-	-	-	-	-	-	-	-	-
Financial Partner - Equity	-	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0
Retained Earnings	(10.5)	215.4	204.9	87.7	117.4	232.6	155.2	74.6	(12.7)	(6.5)	(5.0)	(4.5)
Subtotal	(10.4)		355.0	237.8	267.5	382.7	305.3	224.7	137.4	143.6	145.1	145.6
Total	**4.6**	**675.4**	**680.0**	**548.9**	**458.2**	**383.7**	**306.3**	**225.7**	**138.4**	**144.6**	**146.2**	**146.7**
	-	-	-	-	-	-	-	-	-	-	-	-
Check	*OK*	*OK*	*OK*	*OK*	*OK*	*OK*	*OK*	*OK*	*OK*	*OK*	*OK*	*OK*

OPERATING & FINANCIAL METRICS	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenue growth %				192.4%	9.5%	9.1%	(0.3%)	0.0%	0.0%	0.0%
Opex margin			53.8%	70.0%	70.7%	71.4%	71.6%	71.6%	71.6%	71.6%
EBITDA margin			46.2%	30.0%	29.3%	28.6%	28.4%	28.4%	28.4%	28.4%
EBIT margin			14.5%	18.6%	18.3%	17.9%	17.0%	25.4%	25.0%	24.9%
Net income margin			9.3%	14.9%	11.9%	11.6%	11.1%	16.5%	16.3%	16.2%
Capex as % of sales			(3.5%)	(3.5%)	(3.5%)	(3.5%)	(3.5%)	(3.5%)	(3.5%)	(3.5%)
Debt/EBITDA		70.3x	1.3x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x
EBITDA/interest		0.2x	10.3x	58.8x	NA	NA	NA	NA	NA	NA

Sensitivities

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Sale in Year 5 – Exit at 5x 2016 EBITDA

Sensitivities at: $47 Iron Ore Cost / $300 Pig Iron Cost

IRR Sensitized to PIG IRON PRICE and OXIDE PRICE

Pig Iron Price ($/tonne)	Oxide Price ($/tonne)					
	$150	$200	**$250**	$300	$350	$400
$300		4%	13%	17%	21%	25%
$350	18%	22%	25%	28%	31%	34%
$400	29%	32%	34%	37%	39%	41%
$450	37%	39%	41%	43%	45%	47%
$500	43%	45%	47%	49%	50%	52%
$550	49%	50%	52%	53%	55%	56%

Appendix

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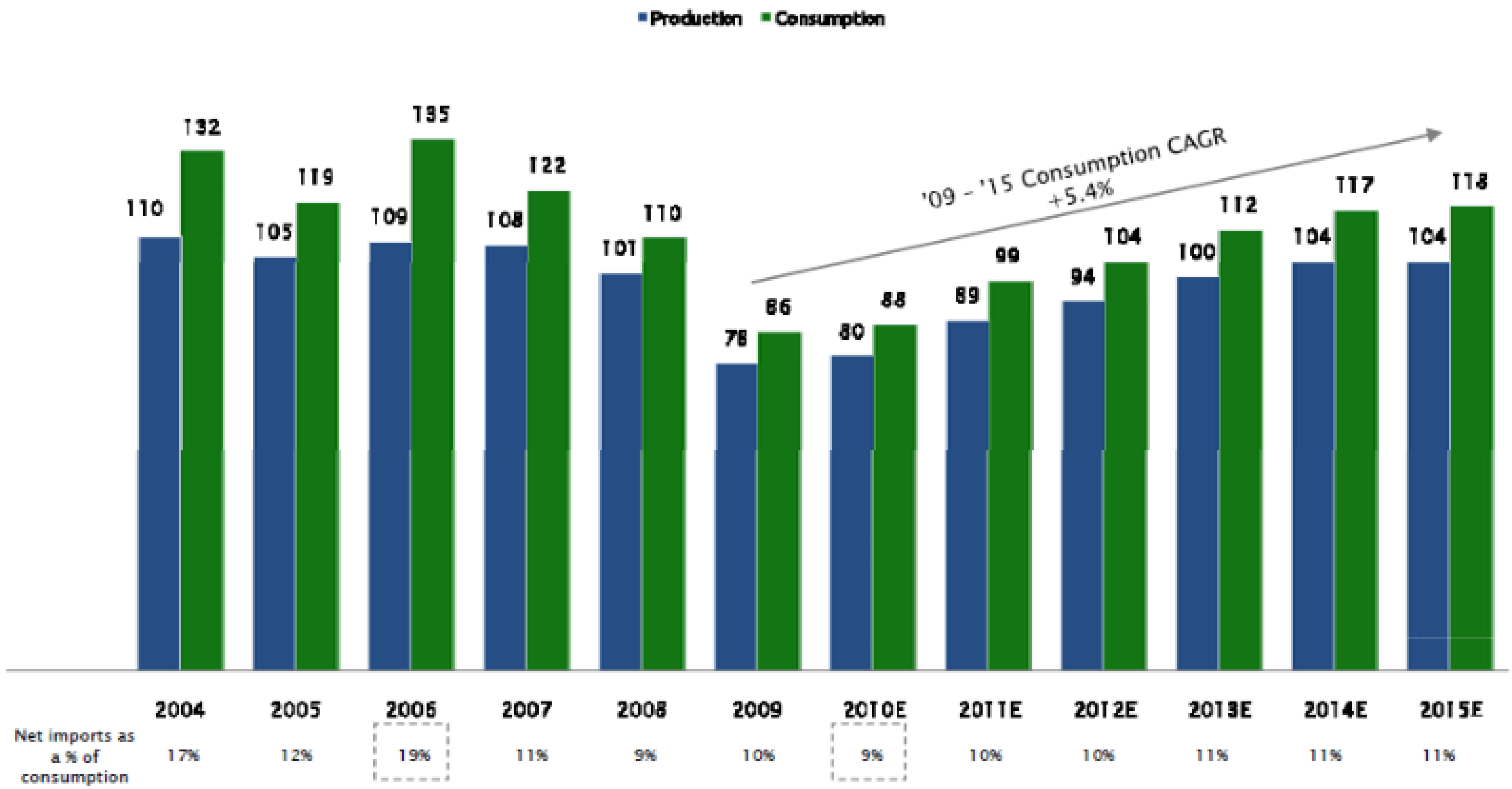
U.S. Steel Supply/Demand (MT)



Source: Metal Strategies

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Iron Ore Transaction Comps

						Capacity		Reserves			Resources			Implied Transaction Multiple	
Target	Acquiror	Date	Value Paid (US$ mm)	Premium (1-Day Prior to Announcement)	Stake Acquired	Production at Full Capacity (Mtpy)[1]	Implied FV / Capacity (US$/t)	Reserves Ore (Mt)	Average Grade (% Fe)	Adjusted Reserves[2] (Mt)	Resources Ore (Mt)	Average Grade (% Fe)	Adjusted Resources[3] (Mt)	Implied FV / Adj. Reserves (US$/t)	Implied FV / Adj. Resources (US$/t)
Australian Precedents															
Aurox Resources	Atlas Iron	10-Mar-10	123	173.0%	100%	6.0	20.5	238	45%	106	456	45%	205	1.2	0.6
United Minerals Corp	BHP Billiton	16-Oct-09	185	43.0%	100%	n/a	n/a	0	n/a	n/a	158	58%	92	n/a	2.0
Ferraus Ltd	China Railway Materials	09-Sep-09	11	1.9%	12%	n/a	n/a	n/a	n/a	n/a	67	59%	39	n/a	2.3
United Minerals Corp	China Railway Materials	08-Sep-09	23	32.4%	11%	n/a	n/a	n/a	n/a	n/a	158	58%	92	n/a	2.2
Warwick Resources	Atlas Iron / Hannans	08-Sep-09	38	18.3%	78%	n/a	n/a	n/a	n/a	n/a	26	56%	15	n/a	3.3
Aquila Resources	Baosteel	28-Aug-09	246	(0.8%)	15%	35.0	46.9	0	n/a	n/a	649	57%	185	n/a	8.9
BHPB / Rio Pilbara JV	BHP Billiton	05-Jun-09	5,800	20.0%	5%	426.0	272.3	4,774	61%	2,916	24,973	60%	15,070	39.8	7.7
Western Plains Resources	WISCO	04-May-09	33	NA	50%	n/a	n/a	n/a	n/a	n/a	569	35%	202	n/a	0.3
Fortescue	Hunan Valin	24-Feb-09	822	19.2%	16%	55.0	90.6	1,625	59%	957	1,799	59%	1,054	5.2	4.7
Hammersley Iron	Chinalco	12-Feb-09	5,150	NA	15%	170.0	202.0	1,525	61%	934	5,810	61%	3,545	36.8	9.7
Centrex	WISCO	18-Dec-08	148	11.1%	60%	n/a	n/a	n/a	n/a	n/a	885	55%	483	n/a	0.5
Mount Gibson Iron	APAC Shougang	03-Dec-08	50 67	106.9% 106.9%	11% 14%	10.0	46.7	57	62%	35	106	62%	66	13.2 13.2	7.1 7.1
Karara (Gindalbie Metals)	Anshan Iron & Steel	03-Nov-08	109	39.8%	24%	n/a	n/a	522	36%	95	1,939	36%	346	4.8	1.3
Australian Bulk Minerals	Grange Resources	25-Sep-08	667	111.5%	100%	2.4	280.3	131	0.489	64	231	52%	120	10.4	5.6
Golden West Resources	Hunan Valin	12-Aug-08	23	12.0%	11%	n/a	n/a	n/a	n/a	n/a	119	59%	70	n/a	2.9
Strike Resources	Gallagher	28-Jul-08	48	34.1%	15%	n/a	n/a	n/a	n/a	n/a	172	62%	73	n/a	4.5
Ferraus Ltd	Western Mining	05-May-08	15	2.7%	10%	n/a	n/a	0	n/a	n/a	34	59%	20	n/a	7.5
Midwest	Sinosteel	31-Mar-08	1,107	53.7%	100%	7.5	147.4	8	58%	5	588	41%	243	n.m.	4.6
Cape Lambert	China Metallurgical	26-Feb-08	374	NA	100%	n/a	n/a	n/a	n/a	n/a	979	31%	307	n/a	1.2
Centrex	Baotou	25-Sep-07	35	NA	50%	n/a	n/a	n/a	n/a	n/a	250	38%	95	n/a	0.7
Australasian	Shougang	21-Mar-07	121	(13.0%)	50%	11.5	21.1	346	n/a	n/a	1,100	31%	345	n/a	0.7
Mineralogy	CITIC Pacific	31-Mar-06	415	NA	100%	27.6	15.0	n/a	n/a	n/a	2,000	32%	640	n/a	0.6
Mean				42.9%			114.3							15.6	3.7
Median				26.2%			68.8							11.8	2.9
Other Precedents															
Simandou (BSG Resources Guinea)	Vale	30-Apr-10	2,500	NA	51%	n/a	n/a	n/a	n/a	n/a	5,000	58%	2,900	n/a	1.7
Asia Iron Holdings Ltd	Chongqing Chonggang Minerals	09-Nov-09	260	NA	60%	5.0	86.7	192	37%	71.0	1,760	37%	659	6.1	0.7
Consolidated Thompson	Wuhan	30-Mar-09	240	18.8%	20%	8.0	150.8	n/a	n/a	n/a	1,133	29%	330	n/a	3.7
Corumba	Vale	30-Jan-09	750	NA	100%	2.0	375.0	209	67%	140	298	66%	197	5.4	3.8
Portman Ltd	Cleveland-Cliffs Inc	11-Sep-08	432	21.5%	15%	8.4	347.1	95	62%	58.8	141	62%	87	49.6	33.3
J.Mendes	Usiminas	01-Feb-08	1,900	NA	100%	29.2	65.1	1,450	47%	682	2,850	47%	1,340	2.8	1.4
Minas-Rio MMX Project **Amapá Mine MMX Project**	Anglo American	17-Jan-08	5,500	NA NA	51% 70%	26.6 6.5	303.6	n/a n/a	n/a n/a	n/a n/a	1,465 74	33% 40%	484 29	n/a	20.6
Mean				20.1%			166							16.0	10.6
Median				20.1%			119							5.7	3.7
Total Mean				40.6%			140							11.8	3.5
Total Median				20.7%			89							5.7	2.6

Source: Citi Investment Banking

6x multiple on 150MT of reserves = $900mm

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Management and Advisors

Management

James Kennedy
President
- Designed and constructed the iron ore beneficiation facility at Pea Ridge
- Former portfolio manager for Kennedy Capital Management with AUM of $100M
- 13 years as a securities research analyst and marketing representative funding over $300M in early 1990s.

Laurence M. Nuelle
Chief Geologist
- Transitioning to become the company's full time geologist
- Completed extensive work at Pea Ridge under the USGS, specifically relating to the rare earth deposit
- Will coordinate the laboratory and processing for the production of rare earth concentrates from the Apatite and the heavy rare earths from the breccia pipes

Martin Schaper
Interim CFO

Jay Norwood
Interim COO

Advisors During Feasibility Study

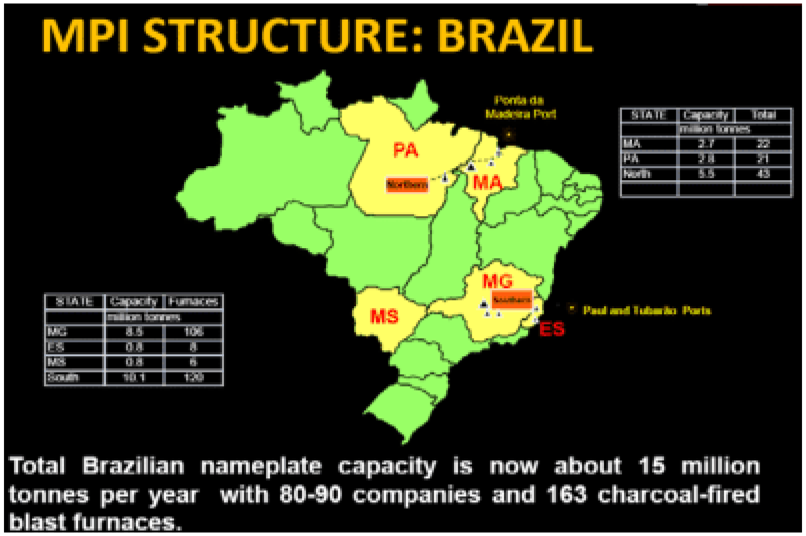
Terry Gooding
Former Senior Mining Manager for Pea Ridge

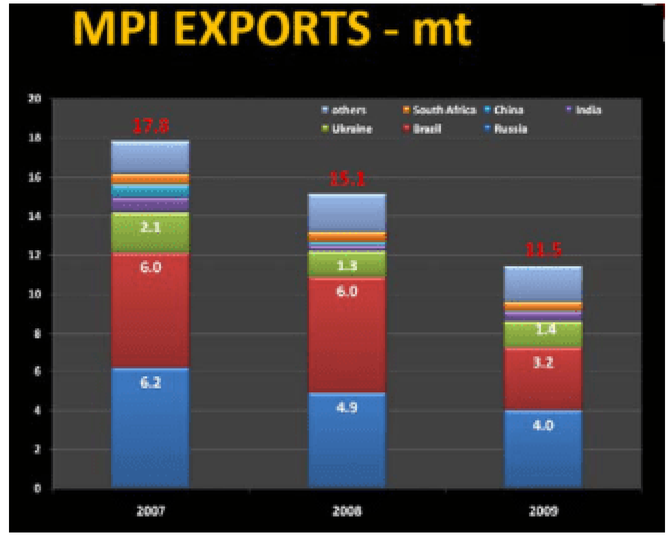
Larry Tucker
Former Chief Underground Mine Manager and Acting Geologist for Pea Ridge

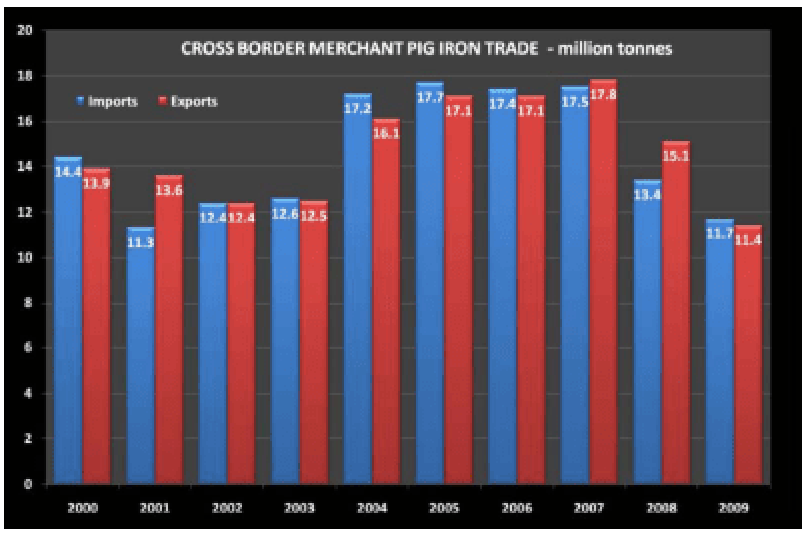
David James
Former Senior Mine Engineer for Pea Ridge

Tom Gallagher
Former Senior Personnel and Safety Officer for Pea Ridge

Pig Iron Data







Total MPI trade

- International trade = 17-18 mtpy
- Domestic trade
  [Russia, Brazil, India, Japan, South Africa, EU, etc.] = ± 9 mtpy
- China domestic trade = 30 mtpy ???
- Total excl. China = ± 27 mtpy
- Total incl. China = ± 57 mtpy ???