

## Executive Summary

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*The securities offered by MMFX Technologies Corporation ("MMFX" or the "Company") are speculative and contain a high degree of risk. This Executive Summary contains general information regarding the Company's business overview; however, any potential investor must read and fully understand the risks detailed in the Company's Private Placement Memorandum.*

MMFX Technologies Corporation, a materials science company headquartered in Irvine, California, was formed in June of 1998 to commercialize its proprietary, micro and nanotechnologies that create superior products by manipulating materials' microstructures.

The foundation of innovation is built on people in each generation who not only adapt to the times, but look forward, and are often ahead of their time. Never has that been more of a reality than today. From the advent of the first IBM computers that took up whole rooms to the incredible power that can be found in the size-of-your-palm iPhone, technology not only changes the world we live in, but the innovators become household names. Those that are truly successful impact Wall Street, and Main Street, for generations to come.

In order to be economically viable, technology needs to provide a practical application. The current focus for MMFX's core technology is uncoated steel that has a microstructure fundamentally different from conventional steel; in fact, this revolutionary technology has produced steel unlike any steel material ever introduced to the marketplace – state-of-the-art, high-strength, corrosion-resistant steel.

MMFX has made significant breakthrough advancements that have led to numerous patented, and patent-pending, commercially produced new-generation steel products that have changed the way buildings, highways, and bridges are built. These commercially available products are designed to engineer construction project efficiencies, resulting in quicker build times, less labor, and less steel. In other words, the lowest cost construction system.

MMFX is unique in the world of nanotechnology. We have not only taken the technology out of the lab with superior products that meet a significant need in the marketplace, but we control the production of our ground-breaking steel through our own steel mill and fabrication (cut and bend) facilities.

MMFX's steel mill in Welland, Ontario, Canada is one of the premier specialty steel-making facilities in North America. The melt shop facility contains a unique combination of carbon, stainless, and other high-end steel-making equipment. It

is rare to find a facility that holds the potential of both high-volume carbon and specialty capacity all in one melt shop.



The Welland melt shop looking north. On the right, a full ladle of steel is getting ready for vacuum degassing. A 150-ton crane repositions the second ladle to the Electric Arc Furnace (EAF) where it will be refilled with liquid steel. The continuous caster is in the far background.

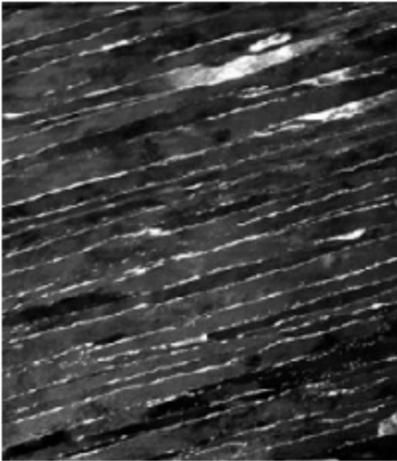
In a consolidating steel marketplace, and a troubling economy, every competitive advantage is imperative. By producing MMFX steel in our own facility, we are able to control costs, ensure quality, and pass the savings of MMFX steel to our customers. Our fabrication facilities give us further control over key elements in the manufacturing and sales process: rebar estimating, detailing, and fabrication of not only MMFX steel, but conventional steel as well.

MMFX stands out from the competition. We're different from other nanotechnology companies and we're different than other steel manufacturers. As a nanotechnology company, we possess significant intellectual property and accompanying patents that allow us to manufacture steel that is in high demand in the face of a crumbling infrastructure. Our state-of-the-art steel mill is not only a significant asset, but it allows us to meet the needs of a variety of markets – and represents a substantial capital asset.

## WHAT MAKES MMFX STEEL DIFFERENT?

Typical carbon steels form a matrix of chemically dissimilar materials – carbide and ferrite. These carbides are strong, yet brittle – immovable at the grain boundaries. In a moist environment, a battery-like effect occurs between the carbides and the ferrites that destroy the steel from the inside out. This effect (a microgalvanic cell) is the primary corrosion initiator that drives the corrosion reaction. MMFX' patented proprietary steel technology forms a matrix that is almost carbide free.

MMFX steel has a completely different structure at the nano, or atomic, scale (a laminated lath structure resembling “plywood”). Steel made using MMFX nanotechnology does not form microgalvanic cells (the driving force behind corrosion). MMFX's “plywood” effect lends superior strength, ductility, toughness, and corrosion resistance.



Transmission Electron Microscope photograph of MMFX's patented microstructure

Most steel exhibits strength at the cost of ductility (or brittleness). Steel that is made using MMFX's proprietary technology is not only stronger and tougher (not brittle), but is also significantly more corrosion-resistant than conventional steel. This technology and material composition has enabled the development of high-strength, cost-effective MMFX steels.

MMFX steel, fueled by revolutionary technology, is five times as corrosion-resistant and up to three times as strong as conventional steel, but it has to

fulfill a need in the marketplace to be economically and materially relevant. No matter how small the world has become with advances in technology, there is still a need for bricks and mortar. From an aging physical infrastructure in North America to the formation of completely new cities in the Middle East, MMFX steels allow us to meet the needs of both, with cost-efficient solutions designed to meet structural demands today and far into the future.

## BRINGING MMFX STEEL TO MARKET: SOLVING A PROBLEM THAT CANNOT BE IGNORED

One of the major problems facing the industrialized world today is the corrosion of conventional steel and the inherent structural weaknesses it causes. The costs associated with corrosion are a staggering 3.1% of the United States gross domestic product (GDP) as estimated by the Federal Highway Administration. In the U.S., corrosion of bridges and highways requires local, state, and federal

authorities to spend billions of dollars annually simply to maintain infrastructure.

The costs of corrosion are growing at an alarming rate. It was estimated that the direct cost of corrosion in 1998 was \$276 billion. The problem has escalated by more than 60% in only a decade. We are now facing a \$429 billion problem. With more than 73,000 bridges deemed structurally deficient, corrosion is a problem that cannot be ignored, regardless of the economic climate.

In fact, the newly-elected Obama Administration has made infrastructure rebuild a top priority. As a result, the National Infrastructure Reinvestment Bank will be created to expand and enhance, not replace, existing federal transportation investments. Initially, the Bank will receive \$60 billion over 10 years to provide financing to jump start transportation infrastructure projects across the nation.

MMFX faces these projects in good stead as it has already submitted to testing and subsequently received approval from the Federal Highway Administration (FHWA) and Departments of Transportation (DOTs). As a result, MMFX has won contracts from Super Agencies and more than 26 state DOTs have selected MMFX steel in highway and bridge construction.

Annual demand in North America for reinforcing steel in 2008 totaled more than 10 million tons. It is estimated that 15% to 20% of current demand is *in corrosive environments*. MMFX is truly the only cost-effective answer to the corrosion problem. Competing steel products, such as epoxy or stainless steel, simply cannot match what MMFX brings to the marketplace.

MMFX is also aggressively pursuing the Middle East market. As one of the largest corrosion markets in the world, the Gulf Region of the Middle East consumes millions of tons of reinforcing steel annually. It is estimated that a substantial portion of this vast market is being built on reclaimed land that has been dredged directly from the bottom of the Persian Gulf. Because of this, the demand for corrosion-resistant, high-strength steel in this region is increasing dramatically and MMFX is uniquely positioned to supply steel that meets these significant demands.

Over the last few decades, there has been a significant redistribution of wealth favoring the Middle East region. Even though markets in Dubai have slowed due to the economic downturn, the region as a whole continues to grow. MMFX's go-to-market strategy enables us to adjust quickly to the trends in the region – and capitalize on the continued growth opportunities. Currently, the strongest economic areas in the region are Abu Dhabi and Saudi Arabia.

Abu Dhabi is the wealthiest emirate of the United Arab Emirates (UAE) in terms of GDP and per capita income and more than \$1 trillion is invested worldwide in

this city alone. New commercial real estate developments on islands surrounding the city are planned to help meet the overwhelming population increase.

## THE ECONOMIC REALITY OF SUPERIOR STEEL



Conventional Steel

MMFX Steel

Never before have the economics of building with MMFX steel products been more important. MMFX steel helps to engineer project efficiencies in a way no other product on the market can.

Historical strength requirements for conventional steel customarily dictated 60 ksi (Grade 60). With an eye to the future, MMFX received an ASTM specification – ASTM A1035 – setting a new standard with minimum yield strength of 100 ksi (Grade 100) and 120 ksi (Grade 120).

By using the higher yield strength of MMFX steel over conventional Grade 60 steel, engineers can design structures with less steel without sacrificing strength or security. As opposed to the density of concrete reinforcement (rebar congestion), MMFX allows for increased spacing of the reinforcing steel – less steel bars in the same area. Less steel to place reduces labor costs dramatically. Simply stated, less steel equates to less labor and lower overall up-front construction costs. Not only is the direct construction cost savings in steel and concrete a factor, but the MMFX construction system may be built faster. The time savings may result in hundreds of thousands of dollars in project savings per day. Construction projects can be completed with 20% to 50% less steel and up to 60% lower labor costs, changing the way buildings, highways, and bridges are designed and built.

## PROVING THE ECONOMIC REALITY – VALUE ENGINEERING

MMFX has an in-house staff of experienced engineers who understand structural design from materials requirements to the actual bid process. Their knowledge and experience in all facets of structural and construction engineering is essential in conveying the economics of MMFX steel.

The MMFX value engineering team works closely with structural engineers, contractors, and developers to help them clearly identify the economic advantage of using MMFX steel through the re-design of actual projects where rebar congestion is the greatest. The side-by-side comparisons clearly show that MMFX

is not only the lowest cost construction system, but also a means to construct safer and more efficient structures, faster.

## APPROVALS

MMFX has gained standards acceptance and validations from independent, unbiased third parties making MMFX steel technology a credible solution for combating corrosion and providing superior strength:

- American Society of Testing Materials (ASTM)
- American Association of State Highway and Transportation Officials (AASHTO)
- American Concrete Institute (ACI)
- Federal Highway Administration (FHWA) (used by 26 state DOTs)
- Grade 100 approvals in many of the largest high-rise markets

## PRODUCTS

Committed to developing new products with practical applications, MMFX is currently in the market with the following concrete reinforcing steel products:

- #3 through #11 rebar in inventory
- #14 rebar by special order only
- Custom-mill-cut lengths available by special order only in 25, or greater, ton increments
- Available in straight-length-bundle quantities from MMFX
  - ASTM A615 – Grade 60 and Grade 75
  - ASTM A706 – Grade 60 Seismic
  - ASTM A1035 – Grade 100 and Grade 120
- Available fabricated
  - ASTM A615 – Grade 60 and Grade 75
  - ASTM A706 – Grade 60 Seismic
  - ASTM A1035 – Grade 100 and Grade 120
- Smooth bar material (used for pavement dowels) available in 1-1/4 and 1-1/2 inch rounds

## **LOOKING TO THE FUTURE**

Technology brings the world closer than it ever has in the past, but the truth is, bricks and mortar – and steel – are still incredibly relevant, no matter what the economy is facing. Technology, especially our ground-breaking nanotechnology, is going to play an ever-widening role as we attempt to build things better, stronger, and faster.

Sustainability is more than just a buzz word in a world gone green. It is impossible to look to the future without an eye to the impact you have on our planet. MMFX, without question, lends itself to the development of eco-friendly construction solutions. From a production perspective, MMFX utilizes 90% recycled material and operates on hydroelectric power. From a utilization perspective, less steel required in a job means less carbon emissions to produce it. Less steel means less fuel to transport it. Less steel means shorter construction times and a resulting reduction in emissions from heavy equipment used in the construction and less congestion in highly populated areas affected by construction.

As a materials science company with significant assets that continues to invent and patent world-changing breakthroughs in materials science – and as a company that has brought that technology to market – MMFX should now be poised to garner a higher multiple than other companies within the steel sector. Our technology and competitive advantage pave the way for growth through acquisition or continued growth in market share as well as opportunities in public and capital markets.

In addition to raising approximately \$65 million in common private equity and \$65 million in secured institutional debt financing, MMFX is currently in negotiations with institutional investors to secure \$50 million of equity capital for purposes of restarting our steel-making facility and additional general working capital to support future growth.

### **The Board of Directors and Management**

The level of expertise and industry acumen of the members of the MMFX board of directors and management team is substantial. Add to that their records of accomplishment for carrying forward large, complex projects, and the Company has powerful and effective leadership.

## **Intellectual Property**

MMFX has six main U.S. patents issued and has filed for patent protection in approximately 50 countries/regions for a total of approximately 250 patent applications.

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