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Revenue Pro-Pro-Forma / Production Plant

Portuguese Creek Partners, LLLP
Revenue Projections for

Updated 6/24/2012

Changeable Cell

2,000	Ton per Day Plant (2,000-10,000)
330	Days per Year

			Year 1	Year 2	Year 3	Year 4	Year 5	5-Year Totals
			7.9	500	1,000	1,500	**2,000**	
Production Level			0.3939%	25.00%	50.00%	75.00%	100%	
Tons			2,600	165,000	330,000	495,000	660,000	
Gross Revenues			**$ 2,837,552**	**$ 180,075,390**	**$ 360,150,780**	**$ 540,226,170**	**$ 720,301,560**	**$ 1,803,591,452**
Cost of Operations								
Cost to Mine @	$25.00	per ton	(65,000)	(4,125,000)	(8,250,000)	(12,375,000)	(16,500,000)	$ (41,315,000)
General/Administrative/Salaries/Office	$10.00	per ton	(26,000)	(1,650,000)	(3,300,000)	(4,950,000)	(6,600,000)	$ (16,526,000)
Total Cost of Goods Sold			**$ (91,000)**	**$ (5,775,000)**	**$ (11,550,000)**	**$ (17,325,000)**	**$ (23,100,000)**	**$ (57,841,000)**
Net Revenue			**$ 2,746,552**	**$ 174,300,390**	**$ 348,600,780**	**$ 522,901,170**	**$ 697,201,560**	**$ 1,745,750,452**
Management / Operator Fee @	15.00%	of Net	$ (411,983)	$ (26,145,059)	$ (52,290,117)	$ (78,435,176)	$ (104,580,234)	$ (261,862,568)
Refining Costs @	15.00%	of Gross	(425,633)	(27,011,309)	(54,022,617)	(81,033,926)	(108,045,234)	$ (270,538,718)
Net Revenue Less Mgt/Operator and Refining Fees			**$ 1,908,936**	**$ 121,144,023**	**$ 242,288,046**	**$ 363,432,069**	**$ 484,576,092**	**$ 1,213,349,166**
Royalty Fee / ROCI @	1.50%		$ (28,634)	$ (1,817,160)	$ (3,634,321)	$ (5,451,481)	$ (7,268,641)	$ (18,200,237)
Cost of Goods Sold & Fees			**$ (957,250)**	**$ (60,748,527)**	**$ (121,497,055)**	**$ (182,245,582)**	**$ (242,994,109)**	**$ (608,442,523)**
Earnings Held In Reserve To Build Next Level Plant above 2000 tons per day			$ -	$ -	$ -	$ -	$ -	
PRE-TAX EARNINGS			**$ 1,880,302**	**$ 119,326,863**	**$ 238,653,725**	**$ 357,980,588**	**$ 477,307,451**	**$ 1,195,148,929**

CAPITAL COST	**$ (89,695,000)**
SELF FUNDING	**-**
START UP COSTS	**(3,300,000)**
PURCHASE PRICE	**(480,000,000)**
TOTAL INVESTMENT	**(572,995,000)**

(NPV of **Earnings Held In Reserve** at **3.0%** - 0% to 50%)

5-year IRR 21%
10-year IRR 37%**

$ 1,195,148,929

Metals	**Oz/Ton***	**Minable Reserves @**	**50,000,000**	**Tons**				
Platinum	0.319	$ 25,296,700,000	Rhodium and Palladium not analyzed in the Pilot Test	$ 25,295,384,572	$ 25,211,905,462	$ 25,044,947,242	$ 24,794,509,912	$ 24,460,593,472
Gold	0.423	$ 29,271,600,000		$ 29,270,077,877	$ 29,173,481,597	$ 28,980,289,037	$ 28,690,500,197	$ 28,304,115,077
Rhodium		$ -		$ -	$ -	$ -	$ -	$ -
Palladium		$ -		$ -	$ -	$ -	$ -	$ -
Total Gross Value Reserve		**$ 54,568,300,000**		**$ 54,565,462,448**	**$ 54,385,387,058**	**$ 54,025,236,278**	**$ 53,485,010,108**	**$ 52,764,708,548**

Mine Life at 660,000 Tons mined per year = 75.76 Years

Values @ Pilot Plant Recovery Assay Averages

Assumptions			**Current Market Value**	**Metal Prices - 36-month Simple Moving Average 7/1/2011**
Metal	**Value**	**Per Ton**	**Metals Per ton**	**GoldPrice.org Live Chart and Kitco.com historical Charts (for Rhodium)**
				Ounces per Year
Platinum	$ 1,586.00	0.319	$ 505.93	210,540
Gold	$ 1,384.00	0.423	$ 585.43	279,180
Rhodium	$ 2,400.00	0.034		22,440
Palladium	$ 511.00	0.209		137,940
Total Gross Values per ton			**$ 1,091.37**	

Assumptions Production of Metal		**Mthly Tons # Of Ounces Metal Produced**	**Qtly Tons # Of Ounces Metal Produced**	**Annual Tons # Of Ounces Metal Produced**	**Total Revenues**
Platinum	ounces	17,545	52,635	210,540	$ 333,916,440
Gold	ounces	23,265	69,795	279,180	$ 386,385,120
Rhodium	ounces	1,870	5,610	22,440	$ 53,856,000
Palladium	ounces	11,495	34,485	11,495	$ 5,873,945
Total Ounces Produced:		**54,175**	**162,525**	**523,655**	**780,031,505**

*** Oz/ton scaled down to be conservative**
**** Straight-line Ramping to full production in year 10**

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Revenue Pro-Pro-Forma / Production Plant

Portuguese Creek Partners, LLLP
Revenue Projections for

2,000	Ton per Day Plant (2,000-10,000)
330	Days per Year

			Year 6	Year 7	Year 8	Year 9	Year 10	10-Year Totals
			2,000	2,000	2,000	2,000	2,000	
Production Level			100.0000%	100.00%	100.00%	100.00%	100%	
Tons			660,000	660,000	660,000	660,000	660,000	
Gross Revenues			**$ 720,301,560**	**$ 720,301,560**	**$ 720,301,560**	**$ 720,301,560**	**$ 720,301,560**	**$ 5,405,099,252**
Cost of Operations								
Cost to Mine @	$25.00	per ton	(16,500,000)	(16,500,000)	(16,500,000)	(16,500,000)	(16,500,000)	$ (123,815,000)
General/Administrative/Salaries/Office	$10.00	per ton	(6,600,000)	(6,600,000)	(6,600,000)	(6,600,000)	(6,600,000)	$ (49,526,000)
Total Cost of Goods Sold			**$ (23,100,000)**	**$ (23,100,000)**	**$ (23,100,000)**	**$ (23,100,000)**	**$ (23,100,000)**	**$ (173,341,000)**
Net Revenue			**$ 697,201,560**	**$ 697,201,560**	**$ 697,201,560**	**$ 697,201,560**	**$ 697,201,560**	**$ 5,231,758,252**
Management / Operator Fee @	15.00%	of Net	$ (104,580,234)	$ (104,580,234)	$ (104,580,234)	$ (104,580,234)	$ (104,580,234)	$ (784,763,738)
Refining Costs @	15.00%	of Gross	(108,045,234)	(108,045,234)	(108,045,234)	(108,045,234)	(108,045,234)	$ (810,764,888)
Net Revenue Less Mgt/Operator and Refining Fees			**$ 484,576,092**	**$ 484,576,092**	**$ 484,576,092**	**$ 484,576,092**	**$ 484,576,092**	**$ 3,636,229,626**
Royalty Fee / ROCI @	1.50%		$ (7,268,641)	$ (7,268,641)	$ (7,268,641)	$ (7,268,641)	$ (7,268,641)	$ (54,543,444)
Cost of Goods Sold & Fees			**$ (242,994,109)**	**$ (242,994,109)**	**$ (242,994,109)**	**$ (242,994,109)**	**$ (242,994,109)**	**$ (1,823,413,070)**
Earnings Held In Reserve To Build Next Level Plant above 2000 tons per day			$ -	$ -	$ -	$ -	$ -	$ -
PRE-TAX EARNINGS			**$ 477,307,451**	**$ 477,307,451**	**$ 477,307,451**	**$ 477,307,451**	**$ 477,307,451**	**$ 3,581,686,182**

		CAPITAL COST	**$ (89,695,000)**
		SELF FUNDING	**-**
		START UP COSTS	**(3,300,000)**
5-year IRR	**21%**	**PURCHASE PRICE**	**(480,000,000)**
10-year IRR**	**37%**	**TOTAL INVESTMENT**	**(572,995,000)**

								10-Year Total
			477,307,451	**477,307,451**	**477,307,451**	**477,307,451**	**477,307,451**	**$ 3,581,686,182**

Metals	**Oz/Ton***	**Minable Reserves @**	**50,000,000**					
Platinum	0.319	$ 25,296,700,000	Rhodium and Palladium not analyzed in the Pilot Test	$ 24,460,593,472	$ 24,126,677,032	$ 23,792,760,592	$ 23,458,844,152	$ 23,124,927,712
Gold	0.423	$ 29,271,600,000		$ 28,304,115,077	$ 27,917,729,957	$ 27,531,344,837	$ 27,144,959,717	$ 26,758,574,597
Rhodium		$ -		$ -	$ -	$ -	$ -	$ -
Palladium		$ -		$ -	$ -	$ -	$ -	$ -
Total Gross Value Reserve		**$ 54,568,300,000**		**$ 52,764,708,548**	**$ 52,044,406,988**	**$ 51,324,105,428**	**$ 50,603,803,868**	**$ 49,883,502,308**

Mine Life at 660,000 Tons mined per year = 75.76

Values @ Pilot Plant Recovery Assay Averages			**Current Market Value**
Assumptions			
Metal	**Value**	**Per Ton**	**Metals Per ton**
Platinum	$ 1,586.00	0.319	$ 505.93
Gold	$ 1,384.00	0.423	$ 585.43
Rhodium	$ 2,400.00	0.034	
Palladium	$ 511.00	0.209	
Total Gross Values per ton			**$ 1,091.37**

Assumptions Production of Metal		**Mthly Tons # Of Ounces Metal Produced**	**Qtly Tons # Of Ounces Metal Produced**
Platinum	ounces	17,545	52,635
Gold	ounces	23,265	69,795
Rhodium	ounces	1,870	5,610
Palladium	ounces	11,495	34,485
Total Ounces Produced:		**54,175**	**162,525**