

A Development | Investment Opportunity

PIEDRA AMARILLA PROPERTIES

CHILE



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Prepared for C.S.I. Ag

July ~~2016~~

Information contained in this report has been compiled over the past 25+ years. Note that ~~all~~ technical reports and scientific data are in the process of being updated. References to documents and reports that have been prepared but are not included will be forthcoming. Furthermore, based on continuing research and keeping abreast of industry trends, mineral resource and mineral reserve estimates have escalated considerably, resulting in a very favorable economic forecast in Chile for investors.

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1 | SUMMARY

The **Piedra Amarilla** properties presents an unprecedented mining opportunity that includes approximately 30% of known global Sulfur reserves, the host rock contains some of the world's largest known deposits of Titanium, concentrations of Gold projected to exceed **\$24 billion**, and recognizable quantities of Silver. Present day valuation **exceeds \$38 billion** in indicated and inferred reserves, and additional billions in inferred reserves according to surveys prepared by The Ralph M. Parsons Company, independent assay groups, and the Government of Chile. Updated reports will confirm these prices have retained (or increased) a '*viaible financial permanence*'.

This document provides detail of the available mineral reserves of the Piedra Amarilla properties located in the North-Central region of Chile, that will sustain a 'project life' of approximately 30 to 40+ years at an estimated processing rate of 20,000+ tons per day for a 'full-blown' processing plant. The data contained herein has been evaluated by a qualified mining company, mineralogist/geological groups and qualified engineers internationally (Canada, Chile, United States), and supported through South America, Government of Chile's Committee of Technological and Productive Development Fund of CORFO.

Earlier projections dating back to 1990 for a full commercial operation estimated a return of approximately **\$1 billion+ per year**, and would escalate as the depth of the mining operation is exponentially increased over the lifetime of the property. This does not take into consideration marketing possibilities of additional minerals and the increase of the Ore's richness with increase mining depth, establishing an accountability to a predictable value to Ore bases. This will occur as the mining operations mature into depths of a few hundred feet, which will result in the value of this property yielding an enduring increase in value. This is evident, if the property was to be sold under Fractional Cooperative Ownership (FCO) Trusts, or retained by an operator of a professional mining consortium, with intentions to mine this property. Either way, the purchaser has an exit strategy with a substantial return on investment upon their request.

2 | INTRODUCTION

This report, prepared for C.S.I. Ag., constitutes the Piedra Amarilla properties mining project, which is 100% owned by C.S.I. Ag., and is offered, marketed, sold, constructed and developed exclusively by C.S.I. Ag. Limited., and/or VISTA (Vision Investments Secured Trusts Accounts) Development. C.S.I. Ag. seeks a qualified mining development group and/or investment participants to develop preliminary stage pilot plant processing, and establish an offer for sale, upon proven reserves accountability at current prices for the Piedra Amarilla properties project.

This port facility has additional bulk loading facilities in place that have been offered to C.S.I. for its use and business development possibilities. The Government of Chile has granted ‘unrestricted access’ to the railhead facilities and to government-owned bulk transport rolling stock. C.S.I. can also secure use of the bulk loading facility from the Port Authority, which is supportive of the Piedra Amarilla project as an immediate construction ‘contracted’ project that will benefit C.S.I. and the Chilean Government.

This effort will stimulate the local economy and regional employment. The Port Authority will also provide a grant of land within the Port area to establish bulk Ore storage facility for Sulfur, Titanium and a non-contamination area, which will be needed by C.S.I. Ag. Additionally, C.S.I. Ag. is seeking to develop a vocational facility for ‘hands-on’ driver training for loading equipment for the Port, and the teaching of Ore distribution at the mining site for ‘leaching process’ of the recovery mechanization.

The property’s ordinance survey maps, geological and topographical maps, aerial photographs, hydrology studies and ground level videos and photographs can be made available. The Road System, the Port and the bulk handling facilities, and an addition to rail system will be areas of modification. C.S.I.’s focus is to develop a relationship accommodating profitability and a future in Natural Resources Exploration in Chile.

Four (4) of the Piedra Amarilla properties have undergone extensive sampling, trenching and pit excavation to definitively calculate Ore reserves. The Government of Chile (CORFO and INTEC-CHILE) and The Ralph M. Parsons Company have produced comprehensive reports on these properties. The remaining five (5) Piedra Amarilla properties have been subjected to thorough random sampling which indicates substantial additional reserves of Titanium and Sulfur.

Evaluations of the subject property conducted in 1999 by qualified mining companies, mineralogists, geological groups and qualified engineers in Canada, Chile and the United States, were supported through South America, Government of Chile’s Committee of Technological and Productive Development Fund of Coporación de Fomento de la Producción (CORFO). While this project retains a ‘viability of financial permanence’, the reports require updating.

3 | RELIANCE ON OTHER EXPERTS

Historically, there have been sufficient surveys, evaluations, development, investigations, reports and investments made to qualify Piedra Amarilla properties well within inferred and indicated reserves. These values for known mineral reserves are substantiated by The Ralph M. Parsons Company, Chilean Government Agencies, INTEC-CHILE, Mineral Exploration Corporation of the Americas (M.E.C.A.), Minexco; and in assays, estimates and investigations conducted by C.S.I. Ag. Limited.

Geologists retained by C.S.I. explored over 100 square miles of potential mining prospects in the region over a 15-year period prior to the selection of Piedra Amarilla properties as the most desirable mining concession. Specialists retained by C.S.I. over the succeeding 10 years continued investigations that resulted in further credibility to the additional studies and reports prepared by INTEC-CHILE for MINEXCO, independent assays taken by top geologists in 1997 and the research arm of C.S.I. Ag. over the course of investigations and quantifiable discoveries contained within the properties.

The properties are comprised of nine (9) individual areas, seven (7) of which are contiguous sites and two (2) are non-contiguous, totaling 2500 hectares or 6,175 acres. *(Note: There were additional properties assayed in some of the reports, and were calculated in as properties total volume of land, so the land's volume may vary but Ore Bodies value was calculated accurately.)*

In 1988, The Ralph M. Parsons Company completed a study of Ore deposits at Piedra Amarilla properties with their findings represented in a Sulfur Pre-Feasibility Report. The data and the property were re-evaluated in 1989, 1990, 1991, 1994 and 1995 by a number of government groups and certified geologist and mineralogist. The data was compiled in reports, assays and technological surveys. In 1995 - 1996, this data was reviewed by two top U.S. specialist in mineralogy and mining. The reports from these well-respected consultants, as well as The Ralph M. Parsons study will be made available for review.

These opinions and affidavits require updating based upon the same information supplied by the Chilean agencies and the United States Bureau of Mining Standards. The Government of Chile has also completed its own assessment of nature, value, and extent of mineral content of the properties. Impressed by their findings, there has been additional information and assays taken and certified by independent marketing groups from Canada, which were seeking funding support from the Canadian Stock Exchange. Copies of these reports will be made available for review.

4 | PROPERTY DESCRIPTION AND LOCATION

The Piedra Amarilla properties are comprised of nine individual areas, seven of which are contiguous sites and two (2) are non-contiguous, totaling 2388 hectares or 6,175 acres. Additional properties were evaluated and were calculated in as properties total volume of land, so the land's volume may vary but Ore Bodies value was calculated accurately. Four of the properties have undergone extensive sampling, trenching and pit excavation to definitively calculate Ore reserves. The remaining five properties have been subjected to indiscriminate random sampling, which indicates substantial additional reserves of Titanium and Sulfur.

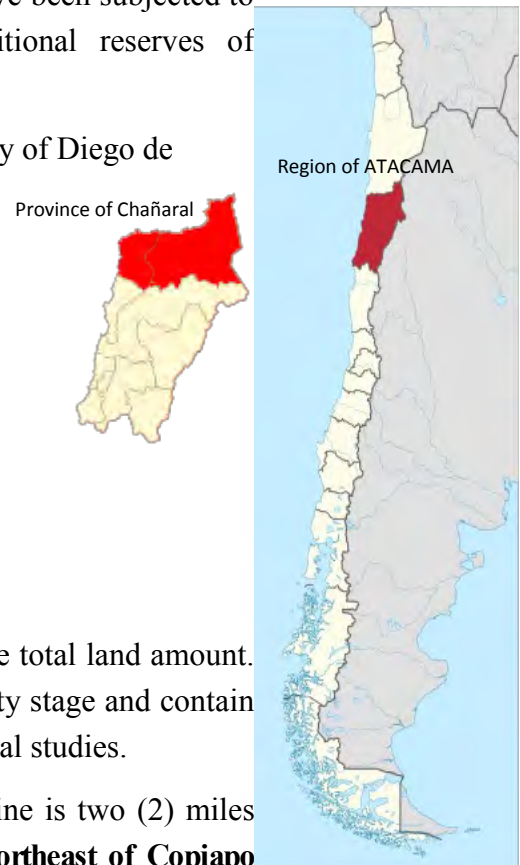
The nine properties are located near the Laguna Brava range, community of Diego de Almagro, Province of Chañaral, Region III.

1) Piedra Amarilla	41-70	300 hectares
2) Piedra Amarilla	71-100	288 hectares
3) Piedra Amarilla	101-130	300 hectares
4) Piedra Amarilla	131-160	300 hectares
5) Piedra Amarilla	161-190	300 hectares
6) Piedra Amarilla	191-220	300 hectares
7) Piedra Amarilla	221-250	300 hectares
8) Piedra Amarilla	251-280	300 hectares
9) Piedra Amarilla	282-290	100 hectares

Properties 3 thru 9 are contiguous and comprise about two-thirds of the total land amount. Properties 4,5,7 and 8 were extensively studied during the pre-feasibility stage and contain the bulk of the information discovered in the geological and metallurgical studies.

Located in the **Piedra Parada Mining District**, the Piedra Amarilla mine is two (2) miles long by four (4) miles wide and is located approximately **200 miles Northeast of Copiapo** (Region de ATACAMA, **Latitude South:** 26° 19' 36,6434"; **Longitude West:** 68° 40' 41,8816"; **North [m]** 7.088.039,302; **East [m]** 532.106,784). The properties are connected by access roads, which lie approximately 30 miles from a railhead and rail systems. The government has offered assistance in extending their own rail system to accommodate the mining facility. These rail systems connect to a deep water port about 80 miles away.


Mineable reserves on the portion of the four mineral properties tested are estimated to exceed 174,000,000 metric tons. Silica (SiO₂) makes up more than 72.5% of the host rock and more than 90% of discharged tailings. Sulfur is mineralized in high excess of 12%. The principal commercially valuable minerals contained in the host rock are Gold and Titanium Dioxide in Rutile form. The business priority of the Piedra Amarilla venture is the extraction and production of Gold, Silver and Titanium products with Sulfur recovery as a major byproduct. The Titanium content has a value several times that of the Sulfur content. Titanium products are in great demand in the aerospace, medical and recreational industries. Gold reserves are considerable through the 'new' assays, declarations, letters and consultations between **mineralogist**, after documentation review.



4 | PROPERTY DESCRIPTION AND LOCATION *(continued)*

Additional byproducts will include Lithium (energy of our future, which is **project** to be enormous), Silver (in manufacturing and technology), Tellurium (thermoelectric devices), and high grade of Silica (computer chips/Silicone PV solar panels).

The land concession title and mineral extraction rights of the Piedra Amarilla properties are owned 100% by C.S.I. Ag. There is one holder of the stock shares of C.S.I. Ag. Limited, Gary J. Pierce. This company was formed specifically as a holding company for the properties and was registered in the Turks and Caicos Islands. The company was sold to I.S.N. (International Security Network), a Bahamian held I.B.C. (International Business Company), which had a name change reversal to C.S.I. Ag. Limited, and registered in the Bahamas at the Law Offices of Anthony Thompson, Esq. Attorney. The two (2) shares of C.S.I. were transferred to Gary J. Pierce and registered at the Bahamian U.S. Embassy, and at the Chilean U.S. Embassy. The properties are in 'free-held' position at this time. Excluding Chilean taxes recorded to be \$42,967 in March 2006, the properties are in good standing and have no outstanding debts, liabilities, claims, encumbrances, liens and/or litigation internationally. Payment for outstanding taxes shall be paid to the General Treasury of the **Copiaco Republic**.

C.S.I. holds title to the land concession and to the mineral rights free and clear. The mineral and extraction rights have been granted to C.S.I. by the Chilean Ministry of Mines pursuant to an **issued**  **Exploitation Concession**. The rights have been properly registered and are held in perpetuity (indefinitely). Traditionally the Government of Chile retains all surface rights to undeveloped properties, however, in this case of remotely located properties, the government automatically grants surface rights to the owner of the concession and mineral rights. These rights are granted on an irrevocable basis for a nominal one-time payment estimated to be \$25,000.

There are no known environmental liabilities to which the properties are subjected. The Ores are of a high grade, within a conveniently soft rock located near the surface and with minimal overburden (low strip ratio). As a result, extraction and recovery cost will be comparably low.

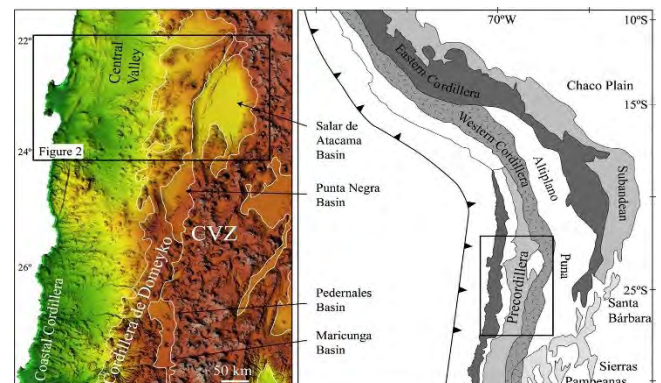
5 | ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INSTRUCTURE AND PHYSIOGRAPHY

The Piedra Amarilla properties are connected by access roads, which lie approximately 30 miles from a railhead and rail systems. The government has offered assistance in extending their own rail system to accommodate the mining facility. These rail systems connect to a deep water port about 80 miles away. The road system, the port and the bulk handling facilities, and an addition to the rail system will be areas of modification.

Some exploration was done in the Cuyanos Range in the 1920's, and the first access roads were built by Andes Copper Company, a developer of the Potrerillos-El Salvador copper complex, during this time. First access was made to the current pumping station at La Ola, which pumps water from the Rio Negro-Jorquera River to Potrerillos via aqueduct for industrial use. The road later accessed the Rio Negro hot springs area, which was used as a recreational facility and from where access was gained into the Piedra Parada basin.

Northern Chile is characterized by extreme aridity and sparse vegetation at elevations below 6,000 feet. This region, which includes the Coast Range and Central Valley, corresponds to the approximate limits of the Atacama Desert, reputed to be the world's driest desert. Furthermore, the high Andes of northern Chile are extremely arid in comparison with other mountain ranges of equal elevation. The snowline is near 20,000 feet on the high volcanic peaks, maybe the highest snowline in the world. Perennial snow and ice fields are found on only a few peaks extending above 21,000 feet in elevation. These are relatively small in area and in depth of snow and ice.

The Atacama Basin and vicinity have a climate more humid than the Central Valley but more arid than the Andean Highlands. The climates of the western side is extremely arid, whereas the eastern side is semi-arid. Because of its large size the Atacama Basin has its own unique microclimate, sufficiently distinct to create a prominent pattern on high-resolution infrared radiometer imagery made from an earth-orbiting satellite. Interpretation of this



imagery indicates temperatures at night are probably cooler on the floor of the basin than on the surrounding slopes, and on these slopes temperatures are undoubtedly much warmer than on the high rims and adjoining highlands. In general, closed basins in and around the Atacama Basin are estimated to have a mean annual precipitation ranging from 0.6 to 2 inches. The mean annual temperature is estimated to range from 47°F to 58°F, probably averaging about 52°F.)

The lofty Andean Cordillera on the East is one of three general topographic areas. The Andes, occupying from one-third to the entire width of the country, stretches from the Puna de Atacama in the North, a high plateau with peaks averaging 4,600 m (15,000 ft), to middle Chile, where, on the border with Argentina, rises the highest peak in the Western Hemisphere, Aconcagua (6,960 m/22,834 ft), and then, diminishing in height, runs south into the Chilean lake country, with its snow-capped volcanoes and several passes.

5 | ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY *(continued)*

The Piedra Parada Basin is located in the North-Central portion of Chile between 26° - 20' South Latitude and 68° - 45' West Longitude. It is bordered on the South and East by large caldera formations, some 20 kms. in diameter, including the Wheelwright, Laguna Escondida, and Trident (Argentina) calderas. To the West of the Piedra Parada Salar is found the Cordillera Claudio Guy, the oldest regional geologic formation, the Northern portion of which is formed by two volcanic structures, which either eroded or subsided into caldera structures.

To the North of the Piedra Parada Basin lies a string of volcanoes known collectively as Cerros Colorados. Together these natural boundaries form a rectangular area of interest 50 kms. North-South by 30 kms. East-West, equivalent to 1500 kms. The mineral properties are located within this geographical area. A large majority of the properties are located between the Piedra Parada Salar and Lagunas Bravas, a 25 kms North-South by 18 kms East-West area, (400 kms²).

The North-Central portion of the Chilean Andes, from the Pacific Ocean to the Argentina border can be subdivided into four distinct geographic units:

- The coastal ranges, which reach 1,500 meters in elevation.
- The interior ranges, which are generally below 3,000 meters.
- The Pre-Cordillera, which ranges from 3,000 to 4,000 meters, but may have occasional peaks which reach above 5,000 meters.
- The Cordillera, which is above 4,000 meters and whose peaks may reach elevations above 6,000 meters.

These morphological units are found in general North-South patterns, and elevational increases are West-East. The main geological features in this area of Chile run South-North, such as the fault systems (Atacama fault) and interior basins (Maricunga-Pedernales). Some important perpendicular West-East fault systems originating offshore in the Pacific crosscut this area, creating drainage for the Copiapo and Salado Rivers, as well as for the Paipote Canyon area. These drain large areas of the pre-cordillera and interior ranges. The Cordillera generally has closed basins with the most drainage running South-North into brine lakes and salars.

The pre-cordillera between 26° - 27° South latitude is dominated by Mesozoic Era volcanic and sedimentary deposits. The Cordillera above 4,000 meters is dominated by volcanic of Tertiary to Quaternary age, which followed interregional fault systems through which surfaced the plutonic magmas.

The plutonic magma orogeny in the central Andes is largely influenced in the Pacific Ocean along the Atacama Trench, where the Pacific Nazca tectonic plate collides with the Continental South American plate. The Nazca plate dives underneath the Continental plate, forming a deep offshore trench which reaches below – 8,000 meters, the deepest trench in the Americas. The trench extends from Antofagasta to Caldera.

As a result of the tectonic collision, the South American Plate inclines toward the Pacific at a slight angle. The plates grind laterally across each other, the South American plate faulting upward (producing seismic activity), and suppressing the Nazca plate. The tremendous friction and pressures causes the orogeny (the process of mountain making or upheaval) to melt into magmatic materials.

5 | ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY (continued)

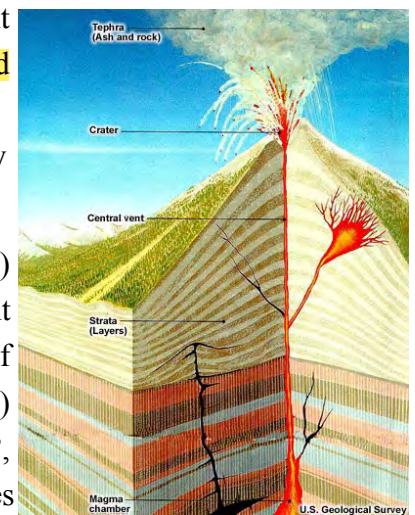
The highest volcanic peaks in this portion of Chile owe their height in part due to the incline of the Continental plate, which has helped to create an Altiplano. Atop the Altiplano in this area of Chile were deposited large amounts of lava and ash flows, much of which is rhyolitic (fine-grained igneous rock rich in Silica), material of Triassic Age. The flows have been compacted into semi-metamorphic tuffs. In some areas, these tuffs are several hundred meters thick, (fragmental rock consisting of volcanic detritus), further building up the Altiplano and forming the basement atop, which are found the present volcanic structures. Most of the volcanic structures in the Piedra Parada area rise no more than 1,000 to 1,500 meters above the surrounding basin.

There are no detailed geological studies of the Piedra Parada area. Because of the remoteness and lack of mining activity, only skeletal information exists. Minexco's geological studies have been limited to photo geological mapping based on aerial photographic interpretations. Most of the basin area has been mapped by Minexco Senior Geologist Carlos Ulriksen on a 1:50,000 scale. Despite the lack of detailed field studies, the aerial photographs are of a quality that permit basic geologic interpretations.

The majority of the volcanics in the Piedra Parada area are of Dacitic to Dacitic-Andesitic composition characterized by low or modest iron content and dominant quartz-silica content. The volcanics (a natural glass produced when molten lava cools very rapidly), are believed to have originated from a large granitic batholith (igneous rock, bounded by irregular, cross-cutting surfaces or fault planes, crystallized at depths below surface), of Paleozoic age (a period occurring between 220,000,000 and 600,000,000 years ago). The batholith is exposed as occasional laccoliths (mass of igneous rock formed from lava, which did not make its way to the surface, spread out, bulged upward strata), along the entire Cordillera route of the third region, dominating the Southern half of its border with Argentina. The batholith in the Piedra Parada area underwent a process known as isostatic (equilibrium of the earth's crust) compensation, and the lower portions of the batholith sank to sufficient depth to melt its components into mass magma, which surfaced through deep faults and cracks, forming volcanic structures. The lack of basaltic flows, which have higher iron content and predominate throughout much of Chile, eliminates primary magma as the source of the Piedra Parada volcanics.

Rock dating has not been conducted to determine formative ages of the different volcanics. The regional geologic maps show a dominance of Quaternary (period within the forming Cenozoic era, about 1,000,000 years ago) volcanics in the Piedra Parada areas. Field observations indicate that these are more likely of Tertiary age (formed in the early part of the Quaternary age).

The volcanoes within the Piedra Parada Basin can be classified into two (2) categories: **Strato and Cinder Cone**. The Strato volcanoes are the dominant structures in terms of mass and height within the basin area. These consist of alternating layers of pyroclastic (fragments of agglomerate, tuff and rocks) material and lava flows. The volcanic slopes are steep at the top, exceeding 30°, and modest at the bottom. The layered strata are indicative of cyclical changes in the nature of the eruptions. The Strato volcanoes in the Southern portion of the basin (Cuyanos and Sierra



5 | ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY *(continued)*

Nevada Ranges) have a predominance of lava flows, while those in the Northern portion are more evenly built by pyroclastic ejecta and lava flows (Panteon de Aliste, Cerros Colorados).

The Cinder Cone volcanoes are common throughout the middle areas of the basin, and are formed largely from tephra (classic volcanic material) or ejecta in the form of ash, dust, lapilli (pebble discharged from volcanoes), and larger volcanic blocks, which are blown out of the volcanic material. The pyroclastic material compacts into breccia tuffs near the cone and finer tuffs away from the cone. The tuffs are often layered, indicating cyclical ash deposition. The Piedra Amarilla properties are comprised of volcanics of this category, and an understanding of the formative processes is essential.

The Cinder Cone volcanics, which comprise the Piedra Amarilla properties have been chemically altered by hydrothermal intrusions of gas and super-heated liquids. Although all three states of matter - solid, liquid and gas - are ejected from most volcanic structures, the nature of the volcano produced depends largely upon the proportion of each of these and the order in which they are expelled.

The Piedra Amarilla properties consist of a string of related volcanic domes of tertiary age, which were created largely by Dacitic flows of ash and lapilli atop a basement formation not well identified. During several separate periods of hydrothermal mineralization, super-heated solutions, charged with steam and other gasses escaped from the congealing magma in enormous quantities, carrying with it mineral, which was deposited at higher levels where the pressure and temperature were less intense.

Fissures and cracks in the dome formations provided channel ways for the movement of these solutions, and became the sites where deposition took place. The gas and liquid phases were intimately associated, but some predominately gaseous activity occurred separately.

Water vapor (super-heated steam) proves to be the main component of magmatic gasses. Magma typically contain up to 11% steam and other gasses under pressure. Besides steam, the chief volcanic gas is carbon dioxide. Other gasses include compounds of sulfur (sulfur dioxide, hydrogen sulfide), chlorine (ammonium chloride, hydrochloric acid), fluorine and boron. The temperature of the gasses can exceed 650° C.

The hydrothermal activity has altered large areas of the volcanic tuffs, changing the texture and composition into what is known in Chile as caliche. Most of the original orthoclase (found in high-silicon igneous rocks) feldspars have been decomposed into white argillus kaolinite, giving a whiteness to the silicate minerals, which is distinctive and distinguishes these deposits from the surrounding country rock. Original prospecting activities incorporated caliche as a key prospecting tool in locating alterations of titanium and sulfur, both in the field and via aerial photos.

The land concession title and mineral and extraction rights of the Piedra Amarilla properties are owned 100%, free and clear, by C.S.I. Ag. Limited. The mineral and extraction rights have been granted to C.S.I. by the Chilean Ministry of Mines pursuant to an issued exploitation concession. Traditionally, the Government of Chile retains all surface rights to undeveloped properties. However, in the case of remotely located properties, the government automatically grants surface rights to the Owner of the concession and mineral rights. These rights are granted on an irrevocable basis for a nominal one-time payment.

6 | HISTORY

Chile is the single most active mining country in the world. A stable, democratically elected Chilean Government actively encourages foreign investments and protects the interests of foreign mining companies. Mining ventures, which attracted over 70% (\$1.76 billion) of the nation's total foreign investment in 1994, are controlled through the highly supportive Ministry of Mines, which is comprised of four (4) regulatory agencies and three (3) state-owned mining companies. Chilean mining legislation and foreign investment structure is being recognized and adopted as the economic model for much of Latin America.

The Chilean Constitution guarantees exceptionally strong rights to miners and mining interests. C.S.I. Ag. acquired the mineral rights to a group of mineral properties known as the Piedras Amarillas properties in December 1989. Sufficient Ore reserves are indicated on the properties to sustain a 'project life' of approximately 30 - 40+ years at the processing rate of 20,000+ tons per day.

C.S.I. has been actively prospecting in the Copiapo area since 1986. Most of the exploration efforts have been concentrated in a remote area known as the Piedra Parada Basin, which is located some 250 km northeast of Copiapo. Native Indians were the first explorers in the basin area; there is an ancient Indian cemetery at the foot of the Piedra Parada hill.

The Government of Chile has twice awarded the Piedra Amarilla properties, located in the Chilean Andes, First Place in its annual competition to determine the most important mineral resource development opportunities in the country. These awards were granted to C.S.I. in 1989 for Sulfur, and in 1990 for Titanium. On both occasions the Government of Chile expressed its willingness to provide financial and technological support for the project as well as open access to rail transport and a deep water port with existing bulk Ore facilities.

These awards were given to C.S.I. after the Chilean Government regulatory agency, CORFO, contracted the services of INTEC-CHILE, a Chilean Technological Group, to investigate the mineral availability and commercially viable extraction of the reserves. C.S.I. has enjoyed an excellent relationship with senior representatives of the government and the Bureau of Mines in Chile.

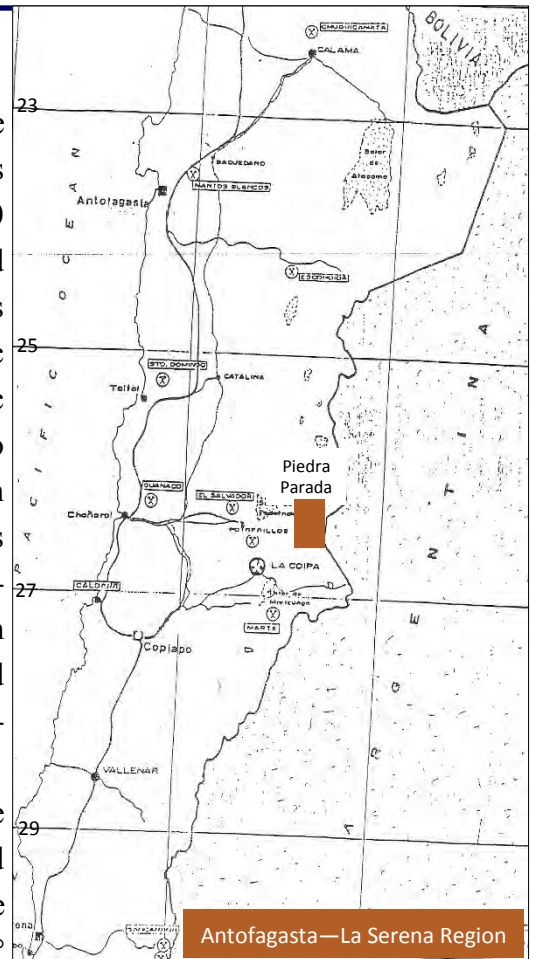
The Chilean Government requires only modest royalties. A normal level of corporate taxation will apply to the mining and refinery operations once they are in commercial operation. Copies of all pertinent tax regulations, legal opinions, registration documents with the Chilean Bureau of Mines and mineral extraction licenses that are not found in this summary, are available from C.S.I. upon request.



7 | GEOLOGICAL SETTING AND MINERALIZATION

The Piedra Parada Basin is located in the North-Central portion of Chile between 26° - 20' South Latitude and 68° - 45' West Longitude. It is bordered on the South and East by large caldera formations, some 20 km in diameter, including the Wheelwright, Laguna Escondida, and Trident (Argentina) calderas. To the West of the Piedra Parada Salar is found the Cordillera Claudio Guy, the oldest regional geologic formation, the Northern portion of which is formed by two volcanic structures, which either eroded or subsided into caldera structures. To the North of the Piedra Parada Basin lies a string of volcanoes known collectively as Cerros Colorados. Together these natural boundaries form a rectangular area of interest 50 km North-South by 30 km East-West, equivalent to 1500 km. The mineral properties are located within this geographical area. A large majority of the properties are located between the Piedra Parada Salar and Lagunas Bravas, a 25 km North-South by 18 km East-West area, (400 km²).

Located in the **Piedra Parada Mining District**, the Piedra Amarilla mine is two (2) miles long by four (4) miles wide and is located approximately **200 miles Northeast of Copiapo** (Region de ATACAMA, **Latitude South: 26° 19' 36,6434"**; **Longitude West: 68° 40' 41,8816"**; **North [m] 7.088.039,302**; **East [m] 532.106,784**).



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4) Piedra Amarilla	131-160	300 hectares	9) Piedra Amarilla	282-290	100 hectares
5) Piedra Amarilla	161-190	300 hectares			

Mineable reserves on the portion of the four mineral properties tested are estimated to exceed 174,000,000 metric tons. Silica (SiO₂) makes up more than 72.5% of the host rock and more than 90% of discharged tailings. Sulfur is mineralized in high excess of 12%. The principal commercially valuable minerals contained in the host rock are Gold and Titanium Dioxide in Rutile form. The business priority of the Piedra Amarilla venture is the extraction and production of Gold, Silver and Titanium products with Sulfur recovery as a major byproduct. The Titanium content has a value several times that of the Sulfur content. Titanium products are in great demand in the aerospace, medical and recreational industries. Gold reserves are considerable through the 'new' assays, declarations, letters and consultations between mineralogists, after documentation review. Additional byproducts will include Lithium (energy of our future, which is projected to be enormous), Silver (in manufacturing and technology), Tellurium (thermoelectric devices), and high grade of Silica (computer chips/Silicone PV solar panels).

8 | DEPOSIT TYPES

Minerals deposited within the structures of the Piedra Amarilla properties have been identified and in many cases quantified using a variety of analytical means. These include fire assay, atomic absorption, X-Ray fluorescence, X-Ray diffraction and wet chemical analysis.

The host rock is considered dacitic tending to rhyolitic in composition, consisting largely of hydrothermally altered ash flows and pyroclastic breccia material compacted into tuffs. The morphology is similar to what is known as the Piedra Amarilla deposit is not known but assumed to be a combination of Rhyolitic flows mixed with sediments overlying the granitic batholith.

Analysis indicate that silicates comprise the vast majority of the host rock material. Diffraction analysis has identified Quartz and its polymorphs Cristobolite (quartz) and Tridymite (silicon based quartz) as the host rock components (72.5%). The ratio of Quartz-Cristobolite-Tridymite is not known. The presence of Cristobolite indicates a very hot formative environment, as crystallization of Cristobolite begins above 1,470° C.

A number of feldspar minerals are present with the calcium-sodium-plagioclase feldspars dominating the potassium-orthoclase feldspars, which have been largely altered to Kaolinie by intrusions of sulfur and carbonate solutions. The feldspars include alumina as a component, and together with Kaolinite make up approximately 3.5% of the host rock as accessory silicates.

Because silicates comprise over 76% of the host rock (90% if elemental sulfur is excluded), the deposit is geologically classified as acid volcanics, terminology not related pH but signifying a silica content greater than 65%. It should be noted, however, that the overall pH of the deposit is slightly acidic due to the presence of solutions which are decomposed from the elemental sulfur (0.2% H²SO₄). Most of the unaltered areas within the basin are basic in pH due to the prevailing chloride and carbonate content within the country's rock.

Microscopic analysis has identified Rutile (TiO₂) as the principal titanium mineral in the Piedra Amarilla deposit, accounting for 90% of all titanium minerals of ease of conversion into commercial grade pigments. Other titanium minerals present but accounting for less than 10% of titanium mineralization include Ilmenite (FeTiO₃), Sphene (SiO₅TiCa), and possibly Perovskite CaTiO₃. The Rutile mineralization overlying the quartz crystals as clasts and elongated prismatic inclusions.

It is presumed that the titanium minerals are accessory minerals of the silica host rock. The titanium is distributed over an immense area, and the grade distributions is much too even to have developed from hydrothermal intrusions alone.

Rutile and Sphene (also called Titanite) are known to be accessory minerals of extrusive volcanics, especially acid volcanics, which have cut through intrusive batholiths. Much of the original titanium may have been in the form of sulfur and carbonate solutions may have transformed the Sphene into Rutile by releasing the calcium to form Anhydrite-Gypsum and Calcium Carbonate as found in the lower basin areas.

8 | DEPOSIT TYPES *(continued)*

Deposition of elemental sulfur occurs as a result of hydrogen sulfide and sulfur dioxide gasses combining under pressure. The reaction precipitates the sulfur with water (steam) given off as a by-product. Unlike the titanium mineralization, the sulfur deposits are localized, following the fissures and channel ways, creating veins that give the mineralization a style reminiscent of pegmatite-dike formations. Channel ways of nearly pure sulfur can be found, ranging from a few centimeters to over four (4) meters in width. The mineralization generally penetrates into the porous areas of the caliche, with a corresponding decrease in grade as one moves away from the main channel ways.

Deposition of sulfur is among the last expressions of volcanic activity. The process may be multi-stage, occurring over several different gaseous periods. Caliche deposits are thought to be generally parallel to sub-parallel to the surrounding terrain, having been formed in mushroom fashion with roots extending into the volcanic conduit. The deposits thin with distance away from the cones.

The principal source of the world's gold mineralization occurs as a result of hydrothermal deposition within intrusive and extrusive igneous rocks. Most of the major gold reserves are found in sediments or placers as disseminations adjacent to weathered igneous formations. Gold is common in distinctive types of volcanic rocks, often associated in tuffs with manganese or altered quartz minerals.

Primary gold mineralization in the Piedra Amarilla deposit is assumed to have taken place during the liquid phases of hydrothermal activity. Gold mineralization is associated with Tellurium and Selenium abundant in deposit.

Secondary gold mineralization is assumed to have occurred according to various mineralization models which require abundant subsurface water and leaching of gold values from nearby volcanic ranges. Warm hydrothermal waters charged with chloride leach the gold values from the surrounding country rock into the basin areas. Volcanic activity at Piedra Amarilla created capillary actions which drew the enriched solutions into the deposit where gold precipitated as a result of the change in pH, as the solutions move from a basic environment into one that was acidic. Secondary gold mineralization of this type may still occur, but at a much reduced rate.

9 | EXPLORATION

Extensive trenching and pitting has already been completed, together with substantial laboratory analysis to confirm the degree of reserves. Additional sampling and testing will be conducted to precisely determine the indicated value and extent of the mineral deposits to be extracted. The richness of the mineral content is self-evident at the surface over major sections of the Piedra Amarilla Properties. It is important to MAP the properties anomalies for drilling purposes and returns. The gold at surface is showing economically feasible reserves on large scale recovery. Sulfur and other minerals originally flowed freely from sub-volcanic levels through surface outlets (Chilites). The minerals were deposited in clearly visible strata formations at the surface. Aerial and ground-level photography clearly indicates the presence of extensive mineral deposits. It is a simple matter to determine the lateral and vertical extent of the deposits by pitting, trenching, drilling and core-sampling. A considerable amount of the work has been completed by The Ralph M. Parsons Company and others.

Section 1: Portezuelo Trenching completed in Areas 1, 2 and 3* was combined with sampling of surface outcrops. A surface area of 750 meters x 1250 meters was blocked out, which cover an altered volcanic dome formation and its slopes. The average depth is computed at 20 meters, based on an X - Y vertical drop of 8 meters in trenches cut in Area 1 and on an estimated vertical drop of 35 meters between Areas 1 and 3. The ore is assigned an in-place mineral weight of 2.2 tons/meters³ (per R.M. Parsons) based on an average extracted weight of 2.2 tons/meter³.

Trenching in Areas 4 and 5* has blocked out and additional reserve area of 300 meters x 750 meters. An average vertical depth of 10 meters is assigned. Blocked out reserves in Section are calculated as follows:

<u>Area</u>	<u>Dimension - Meters</u>	<u>Computed Tonnage</u>
1, 2, 3	750 x 1250 x 20	41,250,000 MT
4, 5	300 x 750 x 10	<u>4,950,000 MT</u>
	Total of Metric Tons	46,200,000 MT

A bulk sample was taken on a one meter deep trench in Area 3, cut on the bottom slope of the volcanic dome. The trench failed to reach the main caliche body because of ground ice and deeper alluvium at the base of the dome. Although the sampled alluvium contained no native sulfur, the TiO² content was only slightly lower than the average for the section. The alluvial trench is marked "AT". R.M. Parsons' Pre-Feasibility Study calculated pre-stripping requirement may be modified considering that the alluvium contains significant amount of TiO². All sampled material in Section 1, including outcrops, trenches, and alluvium showed high TiO² values.

A significant portion of the reserves blocked out in Section 1 are outlined in sufficient detail to allow their inclusion in the Indicated Reserves Category. The initial trenching report submitted to Ralph M. Parsons in September 1988 allowed for 5,811,000 tons of Ore in Section 1 to be classified as Indicated Reserves, however,

*Refer to 7, *Geological Setting and Mineralization* 'Piedra Amarilla Mineral Properties 41–290'

R.M. Parsons chose to classify these as Inferred Reserves in part due to a small sample base and the conservative nature of the mining business where geological work done by third parties is seldom endorsed or certified unless hands-on supervision of all aspects of exploration is assured.

More than 18 tons of samples have been extracted from the trenches in Section 1 for chemical analysis and metallurgical testing. Average mineral contents per ton in Section 1 is as follows:

<u>TiO²</u>	<u>Sulphur</u>	<u>Gold</u>	<u>Silver</u>
2.7%	15.1%	0.33g	7.0g

Titanium values reflect averages from atomic absorption testing. Sulfur values indicate native sulfur extracted via chemical leaching. Gold values indicate that portion of gold leached in bulk sample leaching tests. Silver values were arrived at via fire assay. Titanium values are generally stable and vary little from one spot to another, while Sulfur values vary greatly. In Section 1, Sulfur ranged from 7.28% to 20.1%.

Section 2: Media Luna Section 2 lies South of Section 1, and the mineral bodies are adjacent to one another, though Section 2 comprises a different volcanic unit. Geological evidence for reserve calculations are very strong, particularly on the Western slope, which has been exposed through wind erosions from the prevailing North westerners. Trenching in Section 2 was limited to the Western slope area and a few shallow trenches on the Eastern trenches, but some caliche was nevertheless exposed. The trenching combined with outcrop sampling helped in blocking out a surface area some 500 meters x 1250 meters, which covers the bulk of the volcanic dome. A depth of 40 meters is computed for the vertical depth; the Western slope exposes more than 100 meters of vertical mineralization, and the Eastern slope has similar showings. The mineral tonnage is computed as follows: Area 1 - 500 m x 1250m x 40m = 55,000,000 MT

Extremely high TiO² values were found here (XRF analysis - 7.04%) and are considered anomalous for grade calculations in Section 1, which use the more precise atomic absorption value of 2.7%. Sulfur values, which average 30.9 are unduly influenced by several extremely high grade sulfur veins which crosscut the Western slope (perpendicular), thus, the overall grade for the entire property is probably somewhat lower. Gold values are not well enough defined to assign a value until leaching tests are completed. Silver values are comparable to those in Section 1. Preliminary mineral averages for Section 2 may be established as follows:

<u>TiO²</u>	<u>Sulphur</u>	<u>Gold</u>	<u>Silver</u>
7.04%	+30.9%	unknown	6.55g

Several hundred kilos of sampled material has been removed from the trenches outcrops in this section for analysis and testing.

Section 3: Triangulo Section 3 has the largest Titanium reserves and the most abundant surface showings of high grade (+20%) Sulfur. The reserve consists of four (4) medium size volcanic domes and a vein of small tufted outcrops, which from the air give the alteration a triangular appearance, hence the name.

No trenching was done in this section. Samples were obtained by removing bulk samples from six (6) large outcrops and several smaller outcrops, and from a few hand-dug pits (50 cm depth). Approximately four (4) tons of sampled material was removed for analysis and testing.

9 | EXPLORATION (continued)

Titanium content in this Section was analyzed using XRF, which values are generally 30% below the more precise atomic absorption. TiO_2 averages are about the same as those in Section 1 analyzed via XRF and atomic absorption.

Sulfur content in Section 3 averaged 35.17% on the bulk samples extracted from the outcrops and pits. Overall sulfur content on the mineralized reserves is expected to remain high.

Leaching tests have been done for gold, with leach extractions at 0.315/t.

Based on the sampled areas, a reserve of mineral Ore was blocked out 2000 meters by 1100 meters. A vertical depth of 15 meters was assigned, which is about the average exposed depth of the larger outcrops. The Ore reserves are calculated as follows: Area 2 - 2000m x 1100m x 15m = 72,600,000 MT

The average mineral content per ton is expressed as follows:

<u>TiO₂</u>	<u>Sulphur</u>	<u>Gold</u>	<u>Silver</u>
2.7%*	35.17%	0.315g	7.0g

**TiO₂ values are averaged against atomic absorption testing of samples from Section 1 to compensate for semi-quantitative reading of XRF.*

10 | DRILLING

A Drilling Report is not available at this time. See document below.

PARSONS OVERSEAS COMPANY

Worldwide Engineers/Constructors;
100 West Walnut Street,
Pasadena, California 91124.

(818) 440-2000.
 Telex WH:675-336
 "Report Prefeasibility Study, CHILE SULFUR PROJECT;"

Prepared for; M.E.C.A. (Minerals Exploration Corporation of the Americas.)

Parsons Job No. 6905-01; November 15,1988. [Def-500079] [157pp.]

Attention; President of MECA; E.A. TOVREA, Jr.,(SEE; Transfer Documents, Explained in letter(dated September 18,1998), MECA to Gary Pierce, from ED TOVREA, Ex-President of MECA & C.S.I. Ag. Ltd..(Rancagua 0157 Office 508, Santiago, Chile 222-1188.)

---PARSON'S Report was at the end of a cold winter in Chile, at the altitude of the properties. The evaluation of the site to 'trench' instead of 'drilling', was the 'call' of the exploration team. The 'pitting' was also suggested by the exploration team.

---The cost of the exploration at that time(1988) was almost \$1-million. (This cost was accrued and 'satisfied'(as debt), before Mr. Pierce's purchased this property, with the understanding of C. VanderWerff and David VanderWerff, as the investor's group. The period of 1992-1995; Mr. Pierce's contribution satisfied 'any&all' outstanding debts and the payment of back/dormant tax responsibilities. (SEE: Ed Tovrea's affidavit.)

---Harold Gardner- Mineralogist Exploration Coordinator - Mining expert of Properties. (U.S. Government's expert witness sworn statements of mineralization and wealth)[SEE;Federal Transcripts P.5504-5506].

ANNEX No. 1

Sworn Statement and Letters,

from; Instituto de Investigaciones Tecnologicas,
 Casilla 19002 - Correo 19,
 Avda. Sta. Maria 6400 (Las Condes),
 Telefono 2282083
 Telex; 341641 INTEC CK,
 Fax; 2286681
 Santiago de Chile.

---Bartolome Dezerega Salgado; Executive Sec. of the Committee of Technological research of the CFDF, (Intec-Chile), declares and swears, execution value of this project; "Technologies". Causing the winning of the Thirteenth Competition of the PRODUCTIVE DEVELOPMENT FUND of "CORFO"; Also included is...direct and indirect cost necessary for realization.(C.S.I. Ag. also won the Fourteenth Competition for Titanium; SEE; INTEC-CHILE Letter.)

---Thirteenth Competition Winner for Sulfur production on large scale.

---TABLE 1 - PIEDRA PARADA MINING DISTRICT; Table 1-8; Annual Operational Costs; Depreciation Schedule; Economic Evaluation.

---MAPPING; Antofagasta-La Serena Region; Copiapo Mining District.

11 | SAMPLE PREPARATION, ANALYSES AND SECURITY

‘Sample Preparation’ data is detailed in Section “9. Exploration”

Additional information for this section is currently unavailable.

12 | DATA VERIFICATION

Data verification procedures applied by experts in the mining industry are not available as a part of this report. However, the following documents (attached hereto) are provided as support of the participation of the experts and professionals on this project.

- 1) Résumé of Bernard G. “Bud” Long, P.E., President (former) Long Engineering
- 2) Curriculum Vitae of V. Davide Siniscalchi
- 3) Résumé of Karl F. Meyers, Mineral Consultant
- 4) Parsons Overseas Company letter of transmittal for Pre-feasibility Study Report
- 5) Letter from B.G. “Bud” Long dated August 12, 1996
- 6) Letter from B.G. “Bud” Long dated December 15, 1995
- 7) Letter from Karl F. Meyers, Mineral Consultant dated December 16, 1995
- 8) Declaration from V. Davide Siniscalchi dated August 8, 1996

BERNARD G. "BUD" LONG P.E.
Mining Engineering 35 Years

QUALIFICATIONS

Graduate Mining Engineer - B.S. South Dakota School of Mines & Technology

Registered Professional Engineer - Nevada #09516 - Texas #39734

Registered Geologist - California #1769

CAREER DEVELOPMENT

Executive Computer Simulation - IBM

Project Financial Analysis - Pennsylvania State U.

Management by Objectives - California Institute of Technology

Time Management - California Institute of Technology

The Art of Negotiation - California State (Pamona)

Business Financial Analysis - Texas A & M

Executive Television Performance - University of Houston (TX)

Government and Business - Shell Oil Co.

Economic Evaluation of Mineral Properties - Stermole, Golden Co.

Organizational Development - Shell, Exxon, Tenneco & Alcoa Study Group

PUBLICATIONS

"New Engineers in the Work Place" Mining Engineering January, 1977

PROFESSIONAL EXPERIENCE

President Long Engineering Co.

- Consulting engineering for Gold & Silver, Talc, Gypsum, Limestone and Coal.
- Grassroots projects, claim surveying, exploratory drilling; project feasibility studies, process improvements, mineral property leasing and sales, organizational development, environmental engineering.

Vice President of Operations, Kaiser Coal Corp.

- Management authority of 700 plus employees engaged in the production of 4 million tons per year of metallurgical and steam coal. They included regional vice presidents, engineers, geologists, accountants, environmental, mining, processing, maintenance and clerical staff.

- Directed capital and operating expenditures of \$100 million per year.

12 | DATA VERIFICATION (continued)

- Implemented mining and processing equipment and facilities improvements including surface mining drag-lines, cast blasting techniques, underground long-wall mining methods, process gravity separators and 'hydro-cyclones'.
- Negotiated leases of the company's precious metal properties.

Vice President Mining Coastal States Energy Co., Shell Oil Co.

- Started a multi-million dollar grass roots coal mining division designed to have five major mines in production within 10 years and producing at a rate of 30 million tons per year.
- Interviewed hundreds of engineers and eventually hired 37 top rated experienced engineers and geologists at a time when there was an acute shortage.
- Acquired a profitable on going 4 million ton per year coal company in Ohio, and constructed at this facility a new coal wash plant silo storage facility, unit train load out facility and a barge loading facility.
- Developed feasibility studies with complete mine plans for 5 large surface coal mines to produce up to 8 million tons per mine annually.

Director of Western Operations, Pfizer Inc.

- Directed the operations, engineering, and exploration functions of a network of production facilities for limestone, lime, talcs and clays.
- Directly supervised 15 mine managers, engineers, geologists employee relations and accountants; who in turn directed the activities, training performance evaluations and promotions of 350 others.
- Directed a Product and Process Improvement Program wherein each salaried employee selected from one to five projects annually that would, when completed result in major cost savings, or a new or improved product. This ongoing program resulted in timely replacement of surface and underground mining equipment, state of the art processing machinery, and numerous new profitable product lines, particularly in micron size talc products for use in paint and ceramics.

Mine Manager Fiberboard Paper Products Co.

- Responsible for the engineering, operations, and maintenance of a 200,000 ton per year surface gypsum mine and washing facility, employing 35 salaried and operating personnel.
- Redesigned and rebuilt the wash plant to include more efficient dewatering and drying equipment, namely DSM screens & 'hydro-cyclones'.
- Developed a dossier ripper and scrapper mining method that for many years reduced mining costs and produced less fines in the ore resulting in higher product recoveries in the wash plant.

Mine Engineer to Mine Superintendent, U.S. Gypsum Co.

- Managed a 100,000 ton per year underground gypsum mine using conventional coal mining methods and equipment.
- Was one of the first underground mines to convert to Diesel powered haulage equipment and Ammonium Nitrate Fuel Oil explosives in horizontal bore holes 1 1/2" in diameter.
- Developed a roof control, method using hi-tensile steel bolts that allowed splitting of the roof rock for increased mining height and longer mine life.

Plant Operator, Homestake Mining Company

- Relief operator in a 6500 ton per year gold cyanide leach plant during summers and after school hours.

United States Airforce

- Honorable Discharge

(Present: Consultant to I.S.N. on C.S.I. Ag. Chile, PIEDRA AMARILLA PROPERTIES. 'Position to consult, review and confirm documentation'...)

V. Davide Siniscalchi

141 W. Jackson Blvd. Suite 1320A
Chicago, Illinois 60604
Phone # 312-435-5252
Fax # 312-435-5257

CURRICULUM VITAE

Mr. Siniscalchi is currently involved in devising marketing strategies for a number of business projects internationally. Since 1986, he has gained an impressive experience in the investigation and marketing of business and investment opportunities in many countries.

In 1990, he was actively involved in all the marketing aspects of Nova Plus Fund 1, a closed-end investment fund managed in the Bahamas. His tasks in relation to Nova Plus Fund 1 included its structuring, preparation of its marketing piece, and setting up of a sales force in Europe.

In 1993, he was also involved in the successful marketing of an investment fund, Pleiades, that is presently being managed in Luxembourg.

In his business endeavors, Mr. Siniscalchi has offered a wide range of services that also comprise international corporate structuring, nominee and management services, as well as advisory services in all aspects of international private banking.

Furthermore, in the years, Mr. Siniscalchi has developed a unique network of highly qualified professionals that stand ready to assist him in any and all facets of business worldwide.

Some of his clients and business relationships include United Nations-Sponsored ACP Investment and Trade Bank, Washington D.C. (U.S.A.); Cabinet Ferracchi-Roman, Geneva (Switzerland); Studio Dott. Mario O. Liguori, Rome (Italy); Fiat Allis, Turin (Italy); Ministerio de Obras Publicas y Transportes, San Jose' (Costa Rica); Bureau of External Affairs of the Kazakhstan Republic.

Karl F. Meyers

Mineral Consultant

"World Wide Mineral & Mining Consulting"

- Present: Consultant to I.S.N. on C.S.I. Ag. Chile, PIEDRA AMARILLA PROPERTIES.
- 1994 - 1995 Designed, engineered and built state of the art, 40 ton per hour, sand and gravel plant, with placer gold recovery system, Yuma County, Arizona.
- 1992 - 1994 Mineral Consultant, Las Vegas, Nevada.
- 1991 - 1992 Designed, engineered, and completed construction of the metallurgical pilot plant at Henderson, Nevada for the Carl Semon Pilot Plant Group.
- 1989 - 1990 Mineral consultant in Las Vegas and Caliente, Nevada, Filed for and received as copatentor, Siphon Gravity Classifier and Clarifier, U.S. Pat. No. 4,961,842 issued October 9, 1990. Conducted pilot plant test work and analysis of mineral potential of Kerr McGee and other holdings at Pioche, Nevada; at the Caselton mill tailings, and the Atlanta mill tailings, in Lincoln County, and at the Potosi Mine in Clark County.
- 1984 - 1988 Conducted pilot plant test work at Cerro del Oro mill site in New Mexico. Developed holistic humate based fertilizer for agricultural and garden use. Developed the Cyclo-Tewel, a method of pumping dry solids with low pressure air.
- 1982 - 1983 Was project manager responsible for all phases of the operation at silver mine in Sonora, Mexico for Pena Blanca Mining Co. (Murchison) of Dallas, Texas. Engineered open pit mine and installation and operation of flotation and gravity circuit mill.
- 1979 - 1981 Operated general uranium business managing properties in New Mexico, Wyoming, Utah, and Nevada until uranium mining became unprofitable. Resigned position as Director of Bank Securities, Inc..
- 1978 President and Chairman of the Board, Uranium King Corporation; Director, Cia Minera Sahuaripa, Mexico; Director, Bank Securities, Inc.; President, Navajo Nuclear Corporation.
- 1977 Formed A&M Mining and Milling, a new Mexico Partnership; founded Navajo Nuclear Corporation and Navajo Nuclear Limited Partnership.
- 1976 Elected to Board of Directors of Bank Securities, Inc. of Mexico.
- 1975 Gold mine operator, Imperial County, California.
- 1974 Built and operated 40 ton per hour heavy gold separation plant, Imperial County, CA..
- 1972 - 1973 General mining business and corporate management, plus partnership in exporting mining machinery to Mexico through Nogales, Arizona.
- 1971 Built 100 ton per day flotation plant in Sonora and operated Mexican silver mine in Sonora for Cia Minera Sahuaripa; shipped silver concentrates to Chihuahua smelter.
- 1969 - 1970 General Partner, Summit Limited; partnership operating uranium mines and properties in Wyoming, New Mexico and Utah.

12 | DATA VERIFICATION (continued)

Karl F. Meyers Résumé (continued)

- 1968 General Partner, Summit Partners; operating uranium properties in Wyoming, New Mexico and Utah; made original uranium discovery in Rio Puerco area, New Mexico, extending the Grants Mineral Belt to the east of Mt. Taylor; became President of Uranium King Corporation; formed Summit Nuclear Corporation to hold Mexican silver mine and Apex Mine in Nevada; purchased Apex Uranium mine in Nevada.
- 1966 - 1967 General uranium property acquisition and development in Wyoming, New Mexico and Utah.
- 1965 - 1966 Engineer on project to open and develop Dios Padre Silver Mine at La Trinidad, Sonora, Mexico.
- 1960 - 1964 Built and operated plants to make protein supplement from turkey feathers in Swink, Colorado and Ogden, Utah; owned and operated a Wyoming guide and outfitters business, Wind River Ranch, Inc., Dubois, Wyoming; discovered Jennings-Meyers uranium ore body, East Gas Hills area, Wyoming; operated uranium service business in Wyoming.
- 1957 - 1959 Became President of Shirley Basin Development Corporation; uranium property operator and engineer of open-pit and under-ground uranium mining, Gas Hills and Shirley Basin, Wyoming, and Lisbon Valley, Utah; oil property surveyor, Farmington, New Mexico.
- 1956 Served as field engineer and assisted in exploring and developing many major uranium ore bodies in Ambrosia Lake area, New Mexico.
- 1955 Discovered first uranium ore body in Shirley Basin, Wyoming; operated contract drilling services in Wyoming and Nevada.
- 1952 - 1954 Graduate student, staff member and research plant supervisor, Texas A&M University, College Station, Texas.
- 1949 - 1951 Student, Texas A&M University; degrees: BS - Agriculture; BS - Military Science; BS - Preparatory Medicine; graduate work in Biometry and Biochemistry; distinguished student, distinguished military student, ROTC, Cadet Company Commander, Student Senator, Alpha Zeta.
- 1948 Student, West Texas State College, Canyon, Texas; varsity football; Moderator, Texas Presbyterian Youth Synod.
- 1946 - 1947 U.S. Army, 11th Airborne Division; football team; All Service Football Team, 1947; Army of Occupation of Japan.
- 1944 - 1945 Student, West Texas State College, Canyon, Texas; varsity football; Red Cross Water Safety Instructor, Waterfront Director, Boy Scout Camps.
- 1940 - 1944 Student, West Texas High School, Canyon, Texas; football, basketball; FFA, National Honor Society.
- 1934 - 1939 Student, Borger, Texas and Canyon, Texas.
- Professional Organizations:
Society for Mining, Metallurgy and Explorations, Inc., Association of Waste Water Operators, Who's Who World Wide.
- Clients Include:
Kerr McGee, Exxon, Gulf, Arco, Asarco, Sahuaripa, Cyprus, Duval, Valueline, Wencor, Amnuc, Unity and others. (Consultant to I.S.N. on C.S.I. Ag.)
- 1928 Born February 14 to Edward H. and Edith F. Meyers in Borger, Texas.

PARSONS OVERSEAS COMPANY *Worldwide Engineers/Constructors*

100 WEST WALNUT STREET
PASADENA, CALIFORNIA 91124
(818) 440-2000
Telex WH: 675-336

November 16, 1988

Minerals Exploration Corporation
of the Americas
Post Office Box 8511
La Jolla, California 92038

Attention: Mr. E. A. Tovrea, Jr., President

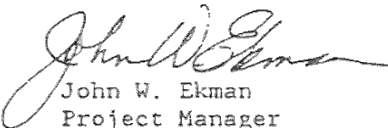
Subject: Job No. 5905-1 - Chile Sulfur Study
Transmittal of Report
Letter No. PM-6

Gentlemen:

Parsons is pleased to present 15 copies of our Prefeasibility Study Report for a 500,000 mtpy sulfur plant in northern Chile. We believe the work presented conforms with the scope of work as defined in the Agreement.

Please be assured that we stand ready to answer any questions you may have relating to this submittal. It is a most interesting project and we would welcome the opportunity of working with you on the next phases.

Very truly yours,



John W. Ekman
Project Manager

cc Mr. Hal Gardner - w/2 copies
Mr. Hugh Wynne, Jr. - w/1 copy
Mr. C. Vander Werff - w/1 copy
Mr. Fred Schultz - w/1 copy



MINING & RECLAMATION

August 12, 1996

Mr. Gary Pierce
3792 Berry Drive
Studio City, CA 91064

Dear Mr. Pierce:

I have carefully reviewed the "DECLARATION", concerning the pre-feasibility study for the Piedra Amarilla Properties, prepared by Mr. V. Davide Siniscalchi and submitted to you on August 8, 1996.

Mr. Siniscalchi is correct in his conclusion that this is a formidable gold property with a potential reserve of 522 million ounces recoverable and which is capable of producing over 800,000 ounces per year. His gross income calculations from gold and titanium production are correct and he is very close in estimating the mining and mineral extraction costs at \$30 US dollars per ton. Parsons suggested a price of a little over \$32 per ton.

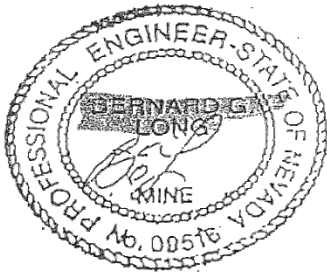
The gross realization that Mr. Siniscalchi presented are essentially the same as Karl Meyers used in the "Executive Summary" when sulfur revenues are not included.

If I can be of further assistance you can reach me at 803 658 3039 ex 11.

Sincerely

LONG ENGINEERING

B. G. "Bud" Long P. Eng
President



313 Vallarte Drive

Henderson, NV 89014

702 898 0390

Long Engineering MINING & RECLAMATION

December 15, 1995

Mr. Gary Pierce
3792 Berry Drive
Studio City, CA 91604

Dear Mr. Pierce:

Mr. Karl Meyers presented me with an updated report by Parsons, entitled "PIEDRA AMARILLA PROJECT, TITANIUM AND BYPRODUCTS STUDY", completed for C.M.I. - Minexco. This was a follow up prefeasibility study of the "CHILE SULFUR PROJECT", also completed by Parsons on November 15, 1988.

The Sulfur study indicates a very large Chilean sulfur deposit, easily minable by surface methods with high recovery using conventional milling and metallurgical processes. Gold and silver were considered byproduct. Once the prefeasibility was complete, the metallurgist learned the deposit contained Rutile, a Titanium Oxide, and other Titanium compounds which are much more valuable than Sulfur.

The deposit is located in Northern Chile, east of El Salvador, in the Andes Mountains, near the Argentina border, and at an average elevation of 4500 meters. Vehicle Access is on unimproved 4WD roads. The climate and elevation are well suited for year around mining.

I spent a considerable length of time reviewing the "Titanium and Byproducts Study" and found the report to be quite thorough, even though the Titanium reserves, 174 million tons, were classified as "Inferred". Areal photos along with ground measurements, surface sampling, and trenching was extensive over large areas of the property. The property is large, 3800 hectares which is well over 9,000 acres. Sufficient bulk samples were taken to give uniform results and good metallurgical results.

Rutile was the chief Titanium mineral, and one of the easiest to extract metallurgically. Gold quantities were reported to be .26 grams and .33 grams per ton. These are low grade reserves, and are only recoverable as a Titanium/Sulfur byproduct. Sulfur then becomes a secondary product as does Silica. In total, the aggregate minerals in these surface minable deposits are definitely economical and are of sufficient volume to classify the deposit as "World Class".

The Parson report is well documented and reflects excellent field work and elaborate laboratory testing and analysis, typical of Parson's work that I have reviewed in the past. It is obvious, however, that this is a prefeasibility study, and much more work is required, particularly in deep drilling, to define the measured reserves. Typical of much of Parson's work, ore reserves, as reported are usually conservative, leaving a likely possibility of there

313 Vallarte Drive

Henderson, NV 89014

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Gary Pierce cont. P.2)

being considerable more, most likely in depth.

I would recommend, without further contemplation that the owners, or others interested parties follow up with a full blown feasibility study, bringing into focus, current market demand and delivered prices of Titanium pigment, followed by an up dated capital and operating cost estimate. A major drilling campaign has to be considered as the next step in proving the reserves and expanding the metallurgy to the deep ore grades. Reverse circulation drilling combined with a number of twinned core holes on a well defined geologic spacing should commence once the marketing studies and cost are brought up to date.

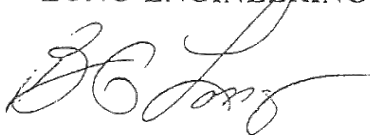
Additional spot drilling is often required once the ore zones, faults, fractures and offsets are determined from the preliminary drilling . This additional drilling, more often than not, will increase the reserves. It will provide a better understanding of the various features of the ore body, including structure and grade, and will permit reclassification from "Inferred to Indicated and Measured reserves, which is necessary to finalize a "bankable feasibility study".

Lastly, it is very important that the final metallurgical process be given close scrutiny by a second party. In many cases, the successful outcome of a world class ore deposit is dependent upon the correct application of extractive metallurgical processes.

If I can be of any further assistance in evaluating the merits of this project, I can arrange to be at your disposal.

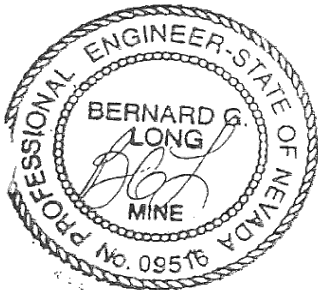
Sincerely yours,

LONG ENGINEERING



B. G. Long P.E.
President

copy: Karl Meyers



Karl F. Meyers
Mineral Consultant
P.O. Box 60261
Las Vegas, Nv. 89160

December 16, 1995

Mr. Gary Pierce
3792 Berry Drive
Studio City, Ca. 91604

Dear Mr. Pierce:

My associate, Mr. Bernard G. Long, P.E., has, in his letter of December 15, 1995, adequately addressed the status of the mineral reserves located in the "CHILE SULFUR PROJECT" and the "PIEDRA AMARILLA PROJECT" previously reported by Parsons (1988) and C.S.I.-Minexco, (1990).

The addition of titanium values to the reserve calculations greatly enhances the opportunity for economic success of the project. Two percent titanium, when processed into sponge, adds a gross value to the ores of more than \$100 per ton at current prices.

Titanium oxide (Rutile) having a specific gravity of 4.6 allows for gravity concentration, if desired. Other titanium recovery methods employ digestion with sulfuric acid which may be produced locally.

The sulfur may be removed by leaching with hydrogen sulfide and ammonia; may be vaporized under vacuum or concentrated by flotation.

Laboratory tests are in order, using the latest technologies, to determine the most economic large scale methods of recovering the titanium and sulfur values from the subject ores.

The gold and silver values given in the report appear to be minimal.

Using the average calculated values per ton given for the deposit:

	TiO ₂	Ti	Sulfur	Gold	Silver	
	2.7%	1.62%	18.72%	0.32g	6.78g	
and assuming recoveries of 90% and using November 1995, E & M J prices of:						
	TiSponge	%Rec	%Ti	#/%		
	\$4.00/#	x 0.90	x 1.62	x 20	=	\$116.64
Sulfur @	\$60.00/ton					
	\$0.03/#	x 0.90	x 18.72	x 20	=	\$ 10.11
Gold	\$385.10/oz	x 0.90	x oz/31.1g	x 0.32g	=	\$ 3.57
						Total per ton \$130.32

Given the total inferred ore reserves of 173,800,000 tons @ \$130.32 gross recoverable values results in an estimated recoverable value of \$22,650,000,000.

As postulated by Mr. Long, more definitive work on the deposit could well increase the gross value above by quantifying and increasing the known values. Both Mr. Long and myself are pleased to be of technical assistance to you in the evaluation of this project and will be happy to assist you further in this endeavor.

Sincerely yours,

Karl F. Meyers

Karl F. Meyers

DECLARATION

By V.Davide Siniscalchi Representing what is believed to be true after a complete review of documentation as per Metallurgical Studies "Table 16".

(This declaration supersedes any other prior declaration concerning the same subject.)

At the request of Mr. Gary Pierce, I, V. Davide Siniscalchi, hereby declare as follows.

I. I commissioned the law firm of Hickey, Driscoll, Kurfirst, Patterson & Melia in Chicago to verify the legal title of a mining concession held by C.S.I. AG., Turks & Caicos, and the ownership of record of the stock of C.S.I. AG. After extensive legal research and to the best of my knowledge, no legal evidence was found to disclaim or disprove the claims of ownership made by Mr. Gary Pierce concerning that above.

II. I extensively reviewed a pre-feasibility study of the Piedra Amarilla Properties in Chile conducted by Minexco Ltda., for and on behalf of C.S.I. AG., in 1990. Assuming the veracity and the accuracy of the information in the study, I was able to assess the following findings.

A) The major authority quoted in the report that supervised inspection of some of the Piedra Amarilla Properties sites, and consequent sampling, measurements, and production data is Mr. Carlos Ulricksen, geologist, director of National Mining Service (Chile), and prominent leader in assay interpretation work.

B) The Piedra Amarilla Properties are situated in Region III and approximately 200 miles northeast of Copiapo in the Piedra Parada Mining District. They include nine parcels of land, of which only four, identified as parcels number 131, number 161, number 221, and number 251, provided sites for inspection, measurement, sampling, and production data studies. Each of these parcels measures three hundred hectares.

Page 2 of 5

C) Mineral reserves were quantified as both indicated and inferred according to the Mineral Resource Classification System of the U.S. Bureau of Mines. Quantity was assessed by trenching predetermined areas, by digging shallow pits for removal of bulk samples, and by sampling large outcrops which are exposed as hardened tuffs. Trenched areas were sampled along 15-meter horizontal channels, in both the mid-walls and floors, and samples were given an area of influence of approximately 100 meters. Trenches varied in length from 30 meters to 100 meters and in depth from 1 meter to 2 1/2 meters. A total of 17 sites were trenched and 15 pits were dug. The methods used to identify the geological structure and to compute its relative indicated tonnage and grade include the following: atomic absorption, fire assays, X-ray fluorescence, chemical leaching analysis, and microscopic studies.

Indicated and inferred reserves of gold tellurides equal 115,920,000 metric tons (19,200,000 metric tons of which are indicated), and indicated and inferred reserves of rutile (TiO₂) equal 112,720,000 metric tons (18,960,000 metric tons of which are indicated).

Indicated reserves identify the tonnage and the grade of the mineral contents present in a geological character. These reserves are computed partly by means of measures, samples, and production data, and partly by making projections over a reasonable distance of the geological character.

Inferred reserves are computed by making projections based on the broad knowledge of the geological character of the inspected sites, on an assumption of continuity of the geological character, and on comparisons with the geological character of adjacent or similar properties whose reserves have been measured with an accuracy of at least 80%. Inferred reserves are computed based mostly on the subjective expert opinion of professionals in geology and other mining-related fields. Margin of errors in making inferences should already be considered by the professionals that compute inferred reserves. Experience in the interpretation of assay works, as well as broad knowledge and deep understanding of the geological character that is being examined, greatly enhances the accuracy of the inferred projections by the expert professional.

Page 3 of 5

D) According to Mr. Carlos Ulricksen, the inferred age of the volcanic formations that constitute most of the Piedra Amarilla Properties is inferred as late tertiary to early, middle quaternary.

E) Region III of Chile comprises an area that is extensively mined, with major mineral extractions including copper, lithium carbonate, nitrates, iron ores, gold, silver, sulphur, and other commercial salts.

F) The host-rock of the Piedra Amarilla Properties is silica that appears intimately associated with rutile mineralization that overlies the silica quartz crystals as clasts and elongated prismatic inclusions. Rutile mineralization is widely and consistently distributed throughout the inspected sites and is believed to have developed not just from hydrothermal inclusion. Rutile is the most economically desirable of all titanium minerals because of the ease of its conversion into commercial grade pigment and metal.

Due to the introduction of large amounts of hydrothermal fluids, carbon dioxide and sulphur, the geological structure shows intense alteration of the silica quartz minerals and relevant presence of gold and silver tellurides, which makes it similar to the one in Cripple Creek, Colorado (U.S.A.), Emperor (Fiji), and the Carpathian Mountains (Ukraine).

G) Metallurgical studies show that gold can be extracted from tellurides by using Knelson centrifugal gravity concentrators and titanium dioxide pigment can be extracted from rutile by using the sulfation method. Titanium dioxide pigment is recovered as a by-product of the recovery process of sulphur. Rutile concentrates are not produced because of the difficulty and high costs in producing 95%+ TiO₂ grade concentrates. It is important to understand that such metallurgical assumptions could be replaced, introducing new technology and shifting the chief mineral extraction from sulphur to titanium or gold. For instance, the more economical chlorination method for the recovery of titanium dioxide pigment could be used.

Page 4 of 5

H) Financial calculations in this point II.H are based on the following assumptions.

1. Costs of mining and extraction are fixed at U.S.\$30 per metric ton. (This information was provided during a conference call on August 8, 1996 by Hal Gardner, geologist of Minexco Ltda. as a current average cost.)

2. The cost involved in the construction of a full mining facility including processing plants is equal to U.S.\$350 million. Such mining facility could be depreciated using the accelerated straight-line depreciation method over the life of the mining facility which is approximately 25 years. Consequently, depreciation for the first year will be equal to U.S.\$42 million (12% of cost) and each year thereafter (up to full depreciation) U.S.\$14 million (4% of cost).

3. The construction of the full mining facility will be financed with 80% of the cost by using debt financing and 20% of the cost by using equity financing. Debt financing will require the issuance of a ten-year note at 10% interest to be paid annually in arrears. Yearly payments on the debt financing will be equal to U.S.\$44.2 million including repayment of the principal.

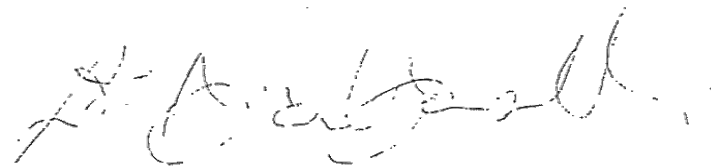
4. No other costs will be considered.

5. Production will start in August 1996.

6. The mining facility will process 25,000 metric tons of minerals per day.

7. C.S.I. AG will produce only titanium dioxide pigment and gold by using respectively the sulfation method with a recovery rate of 3.2% per metric ton (mt.) and the Knelson centrifugal gravity concentrators with a recovery rate of 0.0004% per kilogram (kg.). No production of sulphur, silver tellurides and silica is considered.

8. C.S.I. AG will take over the gap left in the titanium markets by the loss of the Sierra Leone operation. (Data based on the March 1996 Annual Commodities Review Issue, published by E&MJ.) C.S.I. AG will produce only commercial grade titanium dioxide pigment.



Page 5 of 5

9. The price of titanium dioxide pigment is that of 1995 and equals U.S.\$1.01 per pound. This price assumption is realistic, especially if it is considered that according to Mr. Joseph Gambogi of the U.S. Bureau of Mines, Division of Mineral Commodities, demand for titanium pigments grew predictably with the global economy and higher prices for titanium metals and pigments reflected the relative rise in demand. (Data based on the March 1996 Annual Commodities Review Issue, published by E&MJ.)

10. As of August 2, 1996, the settle price of the gold (CMX) contract expiring August 1997 is U.S.\$402.60.

11. Processing plants will process approximately 6,500,000 metric tons of minerals per year which will yield the following financials:

Gold:
6,500,000,000 kg. X 0.0004% (recovery rate) = 26,000 kg
26,000 kg. X 1000 = 26,000,000 grams
26,000,000 grams X U.S.\$12.95 = U.S.\$336,700,000

Titanium dioxide pigment:
6,500,000 mt. X 3.20% (recovery rate) = 208,000 mt.
208,000 mt. X U.S.\$2225 = U.S.\$462,800,000

Total gross profits:
U.S.\$336,700,000 + U.S.\$462,800,000 = U.S.\$799,500,000

Operating costs:
U.S.\$30 X 6,500,000 mt. = U.S.\$195,000,000

Financial costs:
U.S.\$44,200,000

Net profits before taxes:
U.S.\$560,300,000

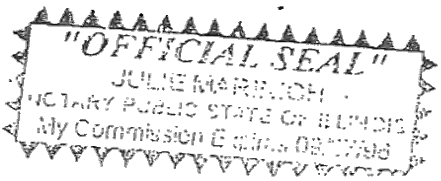
[Signature]
V. Davide Siniscalchi

Date: August 8, 1996

STATE OF ILLINOIS)
COUNTY OF COOK)

Subscribed and sworn to before me this 11th day of Aug, 1996

[Signature]
NOTARY PUBLIC
[Signature]



13 | MINERAL PROCESSING AND METALLURGICAL TESTING

Metallurgical testing analyses as noted on the attachment entitled “Metallurgical Studies” have been carried out by the following mining companies:

- INTEC (Chile)
- R.M. Parsons (Pasadena, CA)
- Rogers Research (Salt Lake City, UT)
- Marambio Lab (Copiapo)
- CIMM (Santiago)
- SGS (Santiago)
- C.S.I. Ag./Minexco

The data contained in these reports was compiled over the period of July 1987 to 1994. The actual reports containing the data for testing and analytical procedures, relevant results, basis for assumptions and predictions for recovery estimates, etc. are not available for inclusion in this report.

METALLURGICAL REPORTS USED FOR DELINEATION;

"METALLURGICAL STUDIES" Table 16

<u>Date</u>	<u>Title of Study</u>	<u>Lab/Sponsor</u>
July 1987	Concentration of Sulfur	21pp Intec-Chile
Oct. 1988	Flotability of Sulfur Caliche	19pp Intec-Chile
Nov. 1988	Chile Sulfur Project Pre-feasibility Study	157pp RM Parsons Pasadena, CA
Jan. 1989	Flotability of Sulfur Caliche and Control of Impurities	21pp Intec-Chile
May 1989	Flotation of Sulfur Caliche	10pp Intec-Chile
Oct. 1989	Technology for Production of Sulfur on a Large Scale	12pp Intec-Chile
Oct. 1989	Technology for Production of Sulfur on a Large Scale	28pp Intec-Chile
Nov. 1989	Titanium and Gold Telluride Distribution in Sulfur Flotation	10pp Rogers Research Salt Lake City
Nov. 1989	Titanium and Gold Telluride Distribution in Caliche Samples	5pp Rogers Research Salt Lake City
Dec. 1989	Preliminary Cyanidation Experience Using Caliche Samples	4pp Marambio Lab Copiapo
Dec. 1989	Flotation of Sulfur Caliche - 3rd Region	290pp Intec-Chile
Aug. 1990	Minerological Characterization of Titanium Bearing Species	7pp CIMM Santiago
Aug. 1990	Recovery of Industrial Minerals from Sulfur Caliche	30pp Intec-Chile
Sept. 1990	Preliminary Analysis of a Bulk Caliche Sample	1pp Marambio Lab Copiapo
Dec. 1990	Chemical and Microscopic Characterization of Ti Bearing Caliche	6pp Intec-Chile
Jan. 1991	Pilot Flotation of Caliche Sulfur and Melting of Concentrates in Continuous Autoclave	490pp Intec-Chile
July 1991	TiO ₂ Concentration Study Proposal	5pp SGS Santiago
Aug. 1991	Piedra Amarilla Project Titanium & Byproducts Study	58pp Compiled By: C.S.I. Ag/Minexco
June 1993	Titanium Marketing Study	60pp Compiled By: C.S.I. Ag/Minexco
1994	Piedra Amarilla Properties Region 3 - Chile Pre - Feasibility Update	114pp Compiled By: C.S.I. Ag/Minexco

"ADDITIONAL INFORMATION, ASSAYS, STUDIES, AND REPORT FINDINGS UPON REQUEST"

14 | MINERAL RESOURCE ESTIMATES

For the purpose of this report, it is believed that previous estimates are sufficient to conclude that present estimates have only enhanced since the last studies and reports were completed.

Given the current market, this region is experiencing a surge in mining investment unlike other regions. Per Luke Burgess, **“More than \$56 billion worth of mining projects (including 47 ventures in late-stage development and 30 projects dedicated to exploration or expansion of existing operations) are expected to come on-line in Peru beginning 2016.”** Refer to copy of article entitled “Mining Insiders Focus on Peru” (<http://www.energyandcapital.com/articles/mining-insiders-focus-on-peru/5265>) in section 24 of this report.

Earlier projections for Piedra Amarilla properties indicate a full commercial operation estimated return of approximately **\$1 billion+ per year**, which would escalate as the depth of the mining operation is exponentially increased over the lifetime of the property. This does not take into consideration marketing possibilities of additional minerals and the increase of the Ore’s richness with increased mining depth. This will occur as the mining operations mature into depths of a few hundred feet, which will result in the value of this property yielding an enduring increase in value.

The Piedra Amarilla properties are comprised of nine individual areas, seven of which are contiguous sites and two (2) are non-contiguous, over an area of 6,175 acres. Additional properties were evaluated and were calculated in as properties total volume of land, so the land’s volume may vary but Ore Bodies value was calculated accurately. Four of the properties have undergone extensive sampling, trenching and pit excavation to definitively calculate Ore reserves. The remaining five properties have been subjected to indiscriminate random sampling, which indicates substantial additional reserves of Titanium and Sulfur.

The extensive studies conducted during the pre-feasibility phase, referred to in sections 12-Data Verification and 13-Mineral Processing and Metallurgical Testing of this report, along with other expert evaluations and governmental support, further confirms our belief as we proceed toward completion of a detailed mineral resources technical report.

15 | MINERAL RESERVE ESTIMATES

The discovery of titanium added a new dimension to the Piedra Amarilla project. Because Titanium is identified as an accessory mineral associated with the host rock, new reserve calculations included entire sections of altered volcanic structures within the Piedra Amarilla properties. As a result, minable reserves have been increased ‘sevenfold’ to nearly 174,000,000 metric tons grading 2.7% TiO_2 , more than 90% of which is found as the mineral Rutile, the most economically desirable of all titanium minerals because of its ease in processing.

The overall grade of sulfur is diminished by stretching the reserves from 25,000,000 to 174,000,000 tons. Sulfur mineralization occurs as high grade pockets and veins within the caliche structure, the grade diminishing with distance from the high grade veins. Overall sulfur content has been calculated at 15.1%.

Recoverable gold and silver content per ton has been calculated at 0.26g and 4.9g, respectively. Silica (SiO_2) makes up more than 72.5% of the host rock and more than 90% discharged tailings, a portion of which will be selected as feed for production of various silicon products.

Titanium Ore reserves have been quantified in three (3) different mineralized areas within the core of the Piedra Amarilla properties group. Inferred Ore reserves of 173,800,000 metric tons have been identified and contain the following mineral averages per ton of Ore:

<u>TiO₂</u>	<u>Sulfur</u>	<u>Gold</u>	<u>Silver</u>
2.7%	18.72%	0.32g	6.78g

The mineralized areas are divided into Sections and are designated as follows:

<u>Section #</u>	<u>Name</u>	<u>Piedra Amarilla Properties</u>	<u>Ore Reserves</u>
1	Portezuelo	161	46,200,000
2	Media Luna	131	55,000,000
3	Triangul	221, 251	<u>72,600,000</u>
		Total Ore Reserves (4 properties)	173,800,000

Potential Ore reserves were preliminaries identified by use of aerial and satellite photographs. Caliche formations were mapped on a 1:40,000 scale. A modest exploration program was outlined in early 1988 in conjunction with the Ralph M. Parsons engineering company located in Pasadena, CA, who was commissioned to execute a pre-feasibility study on the mineral properties. Field exploration was carried out by Minexco in June and July of 1988. Ore reserves in Sections 1 and 2 were quantified using trenching techniques, which allowed extraction of bulk samples from the walls and floors of the trenches. Although trenching was not done on Section 3, a number of shallow pits were dug. Bulk samples were extracted from these and from several large outcrops, which are exposed as hardened tuffs.

The reserves quantified in the Piedra Amarilla sections are classified as Inferred Reserves according to the Mineral Resources Classification System of the U.S. Bureau of Mines. Additional trenching and a large number of samples will permit these reserves to move into the Indicated Reserves category. The focus of the development is to establish measured reserves, and then the construction of a pilot plant to represent proven reserves. Piedra Amarilla sufficient Ore reserves indicate a project life of 30 to 50+ years at the processing rate of 20,000+ tons per day.

16 | MINING METHODS

In summary, trenching and pitting has been performed and substantial laboratory analyses have been conducted. Additional sampling and testing will be conducted to determine the amenability or potential amenability of the mineral resources and mineral reserves. The trenching and pitting methods indicate the richness of the mineral content over major sections of the Piedra Amarilla properties.

It is important to MAP the properties anomalies for drilling purposes and returns. The minerals were deposited in clearly visible strata formations at the surface. Aerial and ground-level photography clearly indicate the presence of extensive mineral deposits. It is a simple matter to determine the lateral and vertical extent of the deposits by pitting, trenching, drilling and core-sampling. A considerable number of studies have been completed by The Ralph M. Parsons Company and other mining experts since 1988 through the 1990's. These reports have been evaluated by government groups, certified geologists and mineralogists and will be provided under separated cover.

Another Ore processing method, Titanium Dioxide Pigment from Concentrates Acid Sulfation Method, will greatly reduce the cost of the extraction process. INTEC-CHILE developed a new technology for extracting Sulfur that will allow economic processing of ore of lower grades than had been previously feasible. The net result of these improved processes is that along with the high grade processing and easy accessibility of the Piedra Amarilla ores, C.S.I. Ag. will be able to extract and process the minerals at much lower rates than industry competitors giving the company a significant commercial advantage over current suppliers of Titanium and Sulfur, worldwide.

17 | RECOVERY METHODS

The average cost of mining and extraction at Piedra Amarilla properties was originally estimated in 1990 by Minexco, a data collection and reporting agent in Chile, for C.S.I. Ag., to approximate costs at 41 US dollars per ton. At that time, the recoverable mineral deposits were valued at 12 US dollars per ton. The estimate price from Mr. Karl Meyers, a U.S. mineral consultant for the same minerals after recovery, rose to 131 US dollars, while mining and extraction costs have been reduced due to new technology. (At today's prices, the profitability has skyrocketed.)

The ratio of extractable minerals to overburden is less than 1:1, which is extremely low. This, along with the miner-bearing deposits, which have been extensively tested by pit and lateral trenching methods, established substantial inherent value in these properties.

The indicated and inferred reserves of recoverable deposits were established in the 1990's to be in excess of 22 billion US dollars. This evaluation was based on the reserves of Titanium, Sulfur, Silica and limited Gold reserves alone. Since that time, mineral values have escalated and a greater expanse of the properties has been tested. With the 'new' Gold assays, evaluations, declarations and advancements in mineralogy, the reserves alone are estimated to exceed 24 billion US dollars on four (4) of the nine (9) properties; and only by depths of 150 feet. The estimated value of such reserves has increased appreciably to exceed the 38 billion US dollar level. Also, note that Homestake Mining's estimate was 100 billion US dollars in 1999.

18 | PROJECT INFRASTRUCTURE

The Ralph M. Parsons Company estimated the infrastructure build-out and all related facilities to be \$520 million in 1990. Due to new developments in ore processing technology, the cost is approximately \$300 to \$350 million according to recent years' estimates.

C.S.I. Ag. proposes to develop the Piedra Amarilla properties in three (3) phases to minimize the economic investment risk and to enhance their value. The phases are: Phase One - Further Confirmation of Reserves, Phase Two - Pilot Mining Operation and Processing Facilities, Phase Three - Full Commercial Operation.

Phase One - Further Confirmation of Reserves: In addition to the trenching and pitting that has been done, additional sampling and testing will be conducted to precisely determine the indicated value and extent of the mineral deposits to be extracted. The richness of the mineral content is self-evident at the surface over major sections of the properties. It is important to MAP the properties anomalies for drilling purposes and returns. The lateral and vertical extent of the deposits will be determined by pitting, trenching, drilling and core-sampling.

Phase Two - Pilot Mining Operation and Processing Facilities: C.S.I. will establish a pilot mining operation and processing facilities to recover, on the conservative side, approximate total net value of titanium products at \$45 per ton; approximate total net value of sulfur products at \$7 per ton; approximate total net value of gold products at \$11.55 per ton; approximate total net value of silver products at \$1.13 per ton; approximate total net value of silica sand products at \$9 per ton; and the additional minerals names in the Pilot Plant report. The plant would not produce the same recovery ratio as would a full operation, but it will establish proven reserves. Subject to unforeseen circumstances, this output will be based upon estimates that should produce annual gross profits in excess of \$13 million.

More importantly, the pilot phase will revise the value of the ores to the highest categorization, above the levels of 'indicated' and 'inferred', as established by the U.S. Bureau of Mines. Proven reserves are the highest categorization and are established only after the commencement of mining and extraction operations, when actual performance results have been demonstrated. Once this level has been reached, the inherent value of the Piedra Amarilla properties increases enormously.



Example of a base camp for commercial operations

The property value differential between inferred and proven reserves is greater than 9,000%.

C.S.I. has conducted an intrinsic review of the port facility, and a portion of the loading facility has to be rebuilt. A Joint Venture with the government has been discussed. This would yield immediate cash flow since this port is capable of accommodating the 'needed' loading facilities for other mines.

Phase Three - Full Commercial Operation: The overall infrastructure development will take 2 to 3 years and \$300 to \$350 million to complete. This phase is not discussed in depth here because the details will vary depending upon the approach taken by the strategic mining developer/operator.

19 | MARKET STUDIES AND CONTRACTS

A Market Study and any executed contracts are not available for inclusion in this report.

20 | ENVIRONMENTAL STUDIES, PERMITTING AND SOCIAL OR COMMUNITY IMPACT

An Environmental Study has been conducted, however, it is not available for inclusion into this report. However, based on testing and sampling previously done, there were not and are not any known environmental issues that could materially impact the ability of C.S.I. Ag. to extract the mineral resources or mineral reserves from the Piedra Amarilla properties.

Also, based on past experiences in performing trenching and pitting, etc. on the properties, there are no known potential social or community related requirements and plans, negotiations or agreements for the project. Lastly, to the best of our knowledge, there have been no discussions of remediation and reclamation requirements and costs.

21 | CAPITAL AND OPERATING COSTS

Capital and operating costs used in this report are based on studies employed prior to economic studies from Ralph M. Parsons and INTEC-CHILE were conducted. These costs are for an expanded mining project vs. a Pilot Plant operation as mentioned under Item 18. *Project Infrastructure*. The pilot plant has a direct and indirect cost factor of \$100 million (non-US currency). The 'Full-Blown' projection is for the buyer's reference in consideration of an ultimate buy-out of the properties as a whole (1992 prices), which has immensely increased in today's market.

Direct and Indirect Costs, Engineering:	\$529,020,000
10% Contingency	<u>\$52,902,000</u>
Total Capital Costs ('Full Blown' plan)	\$581,922,000

Operating costs are based on feasibility lab work done on sulfur extraction, and preliminary pre-feasibility work on titanium, gold and silver extraction, and preliminary pre-feasibility work on titanium, gold and silver. Costs for mining are projected from contract mining operators in Chile and from historical data provided by INTEC-CHILE in 1992. The cost included for silicon production are best estimated based on furnace feed as a low cost byproduct. These methods have all been adjusted for economic reasons and at today's prices are comparable to previous projections with some being decreased. It is important to remember that at Pilot Plant scale, processing with the same returns on minerals on varied. The costs include for silicon production are best estimates based on furnace feed as a low cost byproduct.

Mining and Processing Cost/Ton	
Mine Extraction	\$ 1.30
Consumables - Energy*	27.42
Labor - Management	6.69
Port Costs	.56
Maintenance	1.00
Office, Legal, Insurance	1.99
Contingency @ 7.5%	2.77
Total	\$ 41.73

**Energy is estimated to decrease by 30% with new energy patented technology*

Value Mineral Extraction/Ton of Ore Processed	
TiO ²	\$ 36.10
Ti Sponge	12.17
Prilled Sulfur	13.36
Sulfuric Acid	.84
Silicon Metal 98.5%	803
Silicon Metal 99.85%	38.3
Gold	3.05
Silver	.69
Total	\$ 112.29

← 8.03

A basic financial analysis has been made using the same financial criteria found in the Ralph M. Parsons Company report (1988), except that a sensitivity analysis was not prepared. This analysis is based on limited Gold and Silver recovery technology being used, and on a large scale production processing plant.

22 | ECONOMIC ANALYSIS

Based on the reserves of Titanium, Sulfur, Silica and limited Gold alone, the indicated and inferred reserves of recoverable deposits established in the 1990's was in excess of 22 billion US dollars. Since that time, mineral values have escalated. With new Gold assays, evaluations, declarations and advancements in mineralogy, the reserves alone are estimated to exceed 24 billion US dollars on four (4) of the nine (9) properties; and only by depths of 150 feet. The estimated value of such reserves has increased appreciably to exceed the 38 billion US dollar level. Note that Homestake Mining's estimate was 100 billion US dollars in 1999 and the December 30, 2015 article entitled "Mining Insiders Focus on Peru" by Luke Burgess attached hereto.

The average after taxes and royalties cash, available for distribution is estimated to be \$313,806,000 in production years 1 through 11, and \$342,806,000 in years 12 through 19 (up to 30 years), yielding an after tax and royalty return on investment (ROI) of 53.8% and 58.9%, respectively. This calculation is at a Full-Blown Plant scale, and will basically identify the lack of speculation needed for a mining company to purchase for a production given to them. These ROI's are 1988 estimates, which have exponentially increased since then with the reduction in Chilean taxes and royalties for commercial production, and the huge increase in Natural Resources Market prices. The last reported accrued taxes totaled \$42,967

Conservatively speaking, the increase in market prices across the board is up by 400%. As a result, 4 x \$313 million (1988 prices) totals \$1.25 billion annually. This data shall be used as nothing more than a reduction of speculation by a conglomerate about Purchase Price Analysis (PPA). The Pilot Plant as a PPA is beneficial for speculations by the Fractional Ownership Property Trust Purchasers, and the end user of a large conglomerate mining company. It demonstrates an exit strategy for the Fractional Trust Owners as to how to sell and provides the end user a calculable starting point after the Pilot Plant mineral returns are proven.

23 | ADJACENT PROPERTIES

Not Applicable

24 | OTHER RELEVANT DATA INFORMATION

The following attached documents supports and/or clarifies information contained in this report.

- C.S.I. Ag. Corporate Resolution
- Confirmation of Concession
- Letter from Ed Tovrea, Past President of MECA
- Bulletin of the Status of Piedra Amarilla
- Letter from Harold Gardner
- Letter from Pilar Oyarzun (Figueroa Valenzuela & CIA) to Gary Pierce
- Article “Miner Insiders Focus on Peru” by Luke Burgess

MELISSA K. RAYMOND
ATTORNEY AT LAW
7734 HERSCHEL AVENUE, SUITE E
LA JOLLA, CALIFORNIA 92037
TELEPHONE (619) 454-0282
FACSIMILE (619) 454-1608

CORPORATE RESOLUTION

October 24, 1995

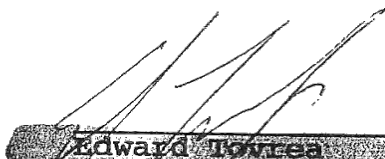
The Board of Directors of Minerals Exploration Corporation of the Americas ("CSI AG/MECA") hereby resolve that Mr. Gary Pierce, Chief Executive Officer and President of International Security Network ("ISN"), be appointed as President and Owner of CSI AG/MECA.

Be it resolved that Mr. Pierce of ISN shall have and may exercise full control of all matters pertaining to the management of the business and affairs of the CSI AG/MECA corporation, including the Piedra Amarilla properties in Region 3, Chile.

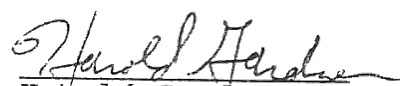
Mr. Pierce of ISN is hereby granted full authority and ownership to the extent provided in the CSI AG/MECA by-laws and within the limitations prescribed by statute. Mr. Pierce shall have signatory privilege as well as the power to authorize the seal of the corporation to be affixed to all papers which may require it.

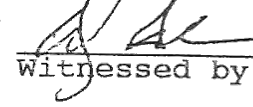
DATED: 10-25-95

NOTARY:

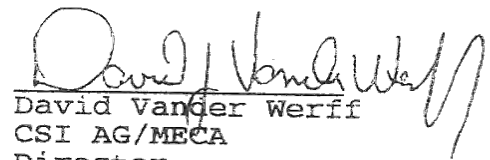

~~Edward Iovrea~~
CSI AG/MECA
President
Chief Executive Officer
Director


DATED: 10/25/95


Harold Gardner
CSI AG/MECA
Director


Witnessed by: BOB A. MOSE

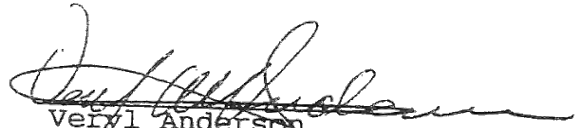
DATED: 10-25-95


David Vander Werff
CSI AG/MECA
Director


Witnessed by: BRUCE WEBB

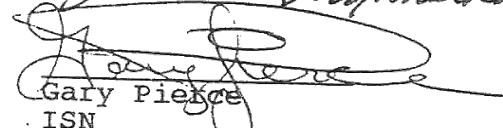
24 | OTHER RELEVANT DATA INFORMATION (continued)

DATED: 10/25/95


Veryl Anderson
CSI AG/MECA
Director

Witnessed by: Doug Anderson

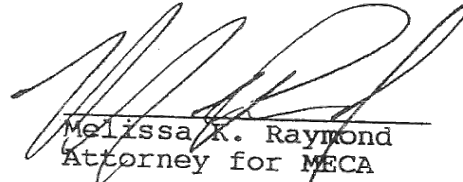
DATED: 25 Oct '95


Gary Pieke
ISN
President
Chief Executive Officer

Witnessed by: KEVYN BRAUN

APPROVED AS TO FORM

DATED: 10-25-95


Melissa K. Raymond
Attorney for MECA

MELISSA K. RAYMOND
ATTORNEY AT LAW
7734 HERSCHEL AVENUE, SUITE E
LA JOLLA, CALIFORNIA 92037
TELEPHONE (619) 454-0282
FASCIMILE (619) 454-1608

January 5, 1996

Dear Mr. Pierce:

CONFIRMATION OF YOUR CONCESSION:

You tendered to me eight million dollars and zero cents in the form of cash, loans and in-kind services. You paid all reinstatement fees necessary to re-activate C.S.I. AG, all legal fees, documentation and filing expenses essential to the company's good standing, and all annual license fees required for the company to retain its constituted exploitation concessions. Further, you labored to develop the Piedra Armarilla mining project in Chile.

In exchange for and in consideration of the aforementioned, I tendered to you full ownership of C.S.I. AG. The company was conveyed to you by me, the sole shareholder and director, of my own free will. The interest you received in the company was free of any liens or other encumbrances; your title is good and true and imparts to you absolute right of authority and ownership in the company.

Sincerely, *MA*

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

No. 5193

State of CALIFORNIA
County of SAN DIEGO
On APRIL 4, 1996 before me, BETTY SPERRY, NOTARY PUBLIC
DATE NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"
personally appeared EDWARD A. TOVREA
NAME(S) OF SIGNER(S)

personally known to me - OR - proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Betty Sperry
SIGNATURE OF NOTARY

OPTIONAL SECTION
CAPACITY CLAIMED BY SIGNER

Though statute does not require the Notary to fill in the data below, doing so may prove invaluable to persons relying on the document.

- INDIVIDUAL
- CORPORATE OFFICER(S)
- TITLE(S)
- PARTNER(S) LIMITED GENERAL
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: _____

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)

OPTIONAL SECTION

THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED AT RIGHT:

TITLE OR TYPE OF DOCUMENT CONFIRMATION OF YOUR CONCESSION
NUMBER OF PAGES 1 DATE OF DOCUMENT JAN 5, 1996
SIGNER(S) OTHER THAN NAMED ABOVE _____

Though the data requested here is not required by law, it could prevent fraudulent reattachment of this form.

Minerals Exploration Corporation of the Americas M.E.C.A.

September 18, 1998

TO: Gary Pierce
RE: Chilean Mining Properties

HISTORY

In 1988 we approached Shearson Lehman NY to help us arrange an equity partner to develop our award winning properties in Chile. They connected us with Mr. William Zylka who proceeded to assist us for some time. However, he later defaulted on his contract.

MISREPRESENTATION

Mr. Zylka contacted some of the major mining companies to co-venture with him in pursuing this matter. Mr. Zylka misrepresented himself to the mining companies and also to us. Consequently, after his default the misrepresentation was acknowledged by those mining companies. Mr. Zylka had the mining companies sign non-circumvention agreements. The companies were interested in the project but could not pursue any involvement because of the agreements. After discussing this with the mining companies they felt it best to let the agreements lapse. Although these non-circumvention agreements would not hold up in court we waited for them to expire.

FINANCING

During the years of 1989-1992 we were approached by the Commercial Advisor to H.R.H. Prince Abdullaziz Bin Saad Bin Abdullaziz Al Saud to obtain financing. Mr. Tovrea was led to believe H.R.H. Prince Abdullaziz Bin Saad Bin Abdullaziz Al Saud was going to arrange financing and co-venture the operation. Mr. Tovrea went to Zurich to research the project with the Commercial Advisor to H.R.H. The Arabs were very interested in the proposal and the project. The Arabs were very focused on sulphur with gold as a secondary measure and the large amounts of titanium dioxide that could be found as well.

INVASION

In 1990 Kuwait was invaded by Iraq while Mr. Tovrea was in Zurich with the Commercial Advisor et al. Their advisors in Saudi Arabia ordered them back to Kuwait to attend to their families and to prepare for conflict.

P.O. Box 8511 La Jolla, California 92038 USA (619) 459-0844
Rancagua 0157 Office 508 Santiago Chile 222 1188

Tovrea Letter—Page 2

ILLNESS

Mr. Tovrea returned to the United States and became ill with heart disease. At this point he reached out to Gary Pierce. Mr. Pierce was originally brought in for his contracting background was now needed for financial support. Over the period of 1992-1995 Mr. Pierce made an \$8,000,000 investment into the company. Mr. Tovrea wanted to relinquish primary responsibility for the company for health reasons. He consequently turned it over to his longtime friend and business associate, Gary Pierce.

SALE

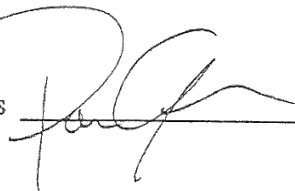
As per documentation represented, Mr. Pierce took over full ownership and all titles to the properties. The price of the sale is confidential.

As per your request I, Edward A. Tovrea, 7734 Herschel Ave. Suite J., La Jolla CA, 92037, state that these claims and statements are true to the best of my recollection and knowledge.

Ed Tovrea,


Past President of MECA & CSI Ag

Witness



BOLETIN OFICIAL DE MINERIA
BULLETIN OF THE STATUS OF PIEDRA AMARILLA

The previous investigation of ownership were conducted in the Year of 2000, the 2ed. of August, in Chanaral, Chile; CERTIFICADOS, Hipotecas y Gravaments (Mortgages & Taxes)...El conservador de minas que suscribe : "SOCIEDAD(partnership) C.S.I. AG." The 4th. of January, 1990, this certificate assures that the ownership is in the name of "P I E D R A --- A M A R I L L A 1 6 1 A L 191", located in SIERRA FALDEOS CERROS LAGUNA BRAVA, Municipality; of DIEGO DE ALMAGRO, Providence; of CHANARAL III Region of Atacama, which is number; 51 N° 8, in the REGISTRO DE PROPIEDAD OF MINAS, in the year 1990. (The additional properties all have the same certificate documentation, all 9(nine) properties...)

On or about the 13th. of January, 2006; there was an additional inquiry to the status of "ownership". With the PROVINCIAS DE COPIAPO, HUASCO Y CHANARAL. The PIEDRA AMARILLA properties were still on the Mining Journal, still showing ZAVALA ARAYA FERNANDO, as fiduciary over the properties. (It is common practice for Non-Domestic Corporations(I.B.C.), to enlist the services of a fiduciary to act on their behalf, while their presents in the Country is not always practical.)

On or about the 7th of March, after a very extensive investigation, the attorney acting on the behalf of C.S.I. Ag. & VISTA, authorized to conduct business for Mr. Gary J. Pierce, was informed that the property was still as it had been since conception. At this time it was realized that the previous years taxes(Gravaments) were in the rears(parte posterior). The 'back taxes' were in the amount of \$42,967.00. And because the taxes had lapsed, Chilean law allowed them to double the amount owed. The payment was directed to be paid to the GENERAL TREASURY of the COPIACO REPUBLIC.

This payment has not been communicated to the proper authorities. The need to satisfy this payment, is imperative and must be accessible to inquire into the status of the property. The taxes had not been paid and the there was NOT an issue with the non-payment...until the inquiry was made by CSI and V.S.I.T.A. employing an Attorney from Chile blindly.

Presently, C.S.I. Ag. Ltd., Attorney; Anthony Thompson, has come forward and is awaiting for the go button to be pushed. The description of the Mining Property is all that is needed for him to instruct the Chilean Attorney to proceed and PAY the back taxes and fees or fines. The attorney will also be instructed to remove Mr. FERNANDO from the position as a Fiduciary figure, and address legal representation in a trust arrangement between C.S.I. Ag. Limited, as a I.B.C.(International Business Company), and the structuring of a network of "Purpose Trusts", holding the Fractional Ownership of the MINING PROPERTIES.

Please know that it is suggested for me to be free, to conduct the needed business transactions'. Please understand that this property has been confidentially owned and controlled for 22Years, and it is inconceivable that the intrinsic ownership will be disrupted in any fashion...and to assure this I am looking for a PARTNERSHIP, of FINANCIAL STRENGTH, with a partner that has the foresight to conceive the magnitude of this undertaking and the unbelievable rewards a waiting that PARTNERSHIP... Sincerely and with my best step forward to full disclosure.... Respectfully I submit this as fact to the best of my knowledge.

Gary J. Pierce....

24 | OTHER RELEVANT DATA INFORMATION (continued)

LETTER SENT TO MR. PIERCE, on August 23,1998.

"Dear Mr. Pierce,"

"Regarding an estimate evaluation of the mineral reserves contained in the PIEDRA AMARILLA MINERAL PROPERTY GROUP, the following can be stated; The initial site work has been at the surface and near surface levels of an immense alteration some seven kilometers long and at least two kilometers wide." (What does that mean...Alteration would be geological system that shows mineralization.)

"This surface alteration is the upper expression of typical epithermal gold and copper system. In most areas of the World the upper portions of the epithermal systems have long since eroded away and the primary copper and gold ore bodies are within typical open pit mining distance from the sufficient to the PIEDRA AMARILLA the epithermal systems are much newer and hence very little of the upper system has had sufficient time to erode away." (Do this mean that you have to dig a little deeper to get to the Primary Zone.)

"This upper system contains minerals which were originally volatilized at relatively low temperatures." (Means when substances turn into gas, sulphur has a low boiling point, if you put a match to it, it goes up into gas.)

"Such as arsenic, tellurium, selenium and sulphur, and hence we refer to this upper system as a former alteration of gaseous origin. These minerals are chemically related to gold and silver values found in the upper system, most of them as tellurides, selenides and arsenides."

"The depth of the upper system was estimated from geological evidence to be at least 100 meters thick but it is likely that it would be several hundred meters thick."

"A second mineralized zone of primary copper and gold exists at depth. This lower zone was explained to you by Homestake after their first visit to the site." (Homestake is a U.S. Based precious metals mining company, in South Dakota for 50 years, and have offices throughout the world.)

"Geologists from Homestake were **impressed** by the size of the alterations at the surface expression. Their opinion was the the Primary Copper and Gold zone would be found at a depth of 1000 meters (this should of been 100 meters). It would be expected that this lower zone would extend to a depth of several hundred meters."

"The combined upper and lower mineralized zones if mined out would yield mineral products in excess of **\$100 billion dollars** if sold at todays prices." (This was 1998, and the price of gold was about \$300.00 per oz.. That would be the price if you were extract all of that out---and sell them at todays prices.)

"Please feel free to contact me if you have any further questions and I look forward to seeing you in September."

"Sincerely, Harold Gardner."

'In this letter, do you not offer an opinion that that particular project could be Mined and would yield **mineral products in the excess of \$100 billion dollars, if sold at today's prices.**' "---I think I said that already."

"Yes, I Harold Gardner wrote this letter and signed this letter, and was not asked by Mr. Pierce, to write such a letter..."

FIGUEROA
VALENZUELA
&
CIA
ABOGADOS

GONZALO BIGGS B. • CARLOS FIGUEROA G. • CARLOS FIGUEROA S. • ISABEL FLUHMANN S. • PILAR OYARZUN G.
VICENTE SANTA CRUZ G. • MARIA STELLA PEREZ C. • JORGE VALENZUELA D. • LUZ MARIA VERGARA F.

MINERAL PROPERTIES TITLE
SEARCH - A LEGAL OPINION

May 06, 1996

TO: Mr. Gary Pierce
President
C.S.I. Ag
Studio City, California
Fax N°: 818-508-1530

REF: Piedras Amarillas Mineral Properties.
Region III, Chile

Dear Mr. Pierce:

Your Company has retained my office and requested an in-depth title search and opinion letter regarding ownership of the Piedras Amarillas mineral properties located in the 3rd Region of Chile. Our law firm is recognized as an expert in the field of Chilean Mining legislation, including interpretation of the existing mining code, title searches for determining ownership rights, and all legal aspects related to the legal constitution, protection, defense and maintenance of mineral properties. A further description of our law firm and our major mining clients is attached hereafter as an appendix to this opinion letter.

Background.

C.S.I. Ag acquired the mineral rights to a group of mineral properties known as the Piedras Amarillas in December of 1989. For a brief period of time I served as a Trustee for the transfer of these properties and so I am very familiar with the legal acquisition of these properties initially made by C.S.I. Ag. During that time frame I also did title research and gave legal

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VICENTE SANTA CRUZ G. • MARIA STELLA PEREZ C. • JORGE VALENZUELA D. • LUZ MARIA VERGARA F

opinion letters regarding these properties.

There are a total of nine mineral properties, listed hereafter, comprising a total of 2.488 hectares.

The properties are located near the Laguna Brava range, community of Diego de Almagro, Province of Chañaral, Region III.

1.-	Piedra Amarilla	41 -	70
2.-	Piedra Amarilla	71 -	100
3.-	Piedra Amarilla	101 -	130
4.-	Piedra Amarilla	131 -	160
5.-	Piedra Amarilla	161 -	190
6.-	Piedra Amarilla	191 -	220
7.-	Piedra Amarilla	221 -	250
8.-	Piedra Amarilla	251 -	280
9.-	Piedra Amarilla	282 -	290

During December, 1995 a preliminary title search was executed at your request and a brief report forwarded to your office on December 13. This present letter is based on a much more in-depth study.

Basis of Study.

The purpose of the title search was to determine:

- (1) Ownership of the Piedras Amarillas Mineral properties.
- (2) Existence of competing mineral claims in the areas covered by the Piedras Amarillas.
- (3) Existence of any liens, mortgages, and other encumbrances against the properties or which might affect the ownership interests.

A number of public institutions and documents were used to gather this information, including the following:

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VICENTE SANTA CRUZ G. • MARIA STELLA PEREZ C. • JORGE VALENZUELA D. • LUZ MARIA VERGARA F

- 4.- The Piedras Amarillas Mineral properties have full and preferential rights for exploitation. An in-depth property schematic study showed that prior to the Piedras Amarillas there were no existing claims or concessions which would have to be respected.
- 5.- In the same area covered by the Piedras Amarillas properties there have been no mineral claims filed on top of these by third parties against which the owners would have to defend themselves.
- 6.- In the region adjacent to the Piedras Amarillas, there are a few exploration and exploitation claims which are outlined on the attached map.
- 7.- Regarding the surface rights, we can inform according to the Office of Land Management that the surface rights on the Piedras Amarillas belong to the State of Chile, and there are no registered private land owner.

ANNEX - MAP
- BACKGROUND LAW FIRM



Pilar Oyarzún G.

5/15/2016

Mining Insiders Focus on Peru

Mining Insiders Focus on Peru

Peruvian Mining Boom in Full Swing



Written by Luke Burgess

Posted December 30, 2015



Miners are bullish...

According to a recent survey of mining companies and financiers active in Latin America, the international law firm Dentons found that 66% of respondents were "either somewhat or very optimistic" that there will be increased investment in the mining sector over the next 12 months.

Specifically, the survey found that mining insiders currently consider **Peru** the hot spot for mining.

About 50% of the respondents to the Dentons survey thought Peru offered the most project and investment opportunities.

Perhaps that's because, although the country is already a major producer of mineral commodities, Peru is currently experiencing a mining investment boom unlikely anywhere else right now.

More than **\$56 billion** worth of mining projects (including 47 ventures in late-stage development and 30 projects dedicated to exploration or expansion of existing operations) are expected to come on-line in Peru beginning in 2016.

<http://www.energyandcapital.com/articles/mining-insiders-focus-on-peru/5265>

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5/15/2016

Mining Insiders Focus on Peru

As a result, the Andean country's mineral output is expected to heavily increase. Officials forecast production at Peru's gold mines will increase over 8%, while silver will increase 14% next year.

But the real focus of Peruvian mining right now is copper.

The 2016 Peruvian Copper Rush

Already the world's third-largest copper producer, Peru's copper output is expected to increase 66% next year to about 5.5 billion pounds.

Considering this expected growth, Peru may surpass China to become the second-largest producer of copper in the world.

The main focus of this expected growth is the Las Bambas copper project in the highland region Apurimac, which will begin operations in February.

The Las Bambas mine is expected to produce between 550 million and 650 million pounds of copper in 2016, as well as significant amounts of zinc, silver, and gold.

The project is being financed by MMG Ltd., a Chinese-based mining company that's primarily controlled by state-owned China Minmetals.

In total, the MMG consortium plans to invest \$10 billion to produce copper, zinc, silver, and gold at Las Bambas. The Las Bambas mine is the single-largest Chinese investment project in Peru.

China is no stranger to investing in Peru. The country is currently the top mining investor in Peru, putting over \$19 billion into projects. In total, Chinese investment accounts for 34% of the total portfolio of Peruvian mine projects.

Metal production ranking

World						
Metal	2008	2009	2010	2011	2012	2013
Silver	8	1	2	2	2	2
Zinc	2	2	1	1	1	1
Tin	3	3	1	3	2	7
Lead	4	4	4	4	4	4
Gold	5	3	5	5	5	5
Copper	3	2	2	3	3	3
Molybdenum	6	6	4	4	4	4

Latin America						
Metal	2008	2009	2010	2011	2012	2013
Silver	1	1	2	2	1	1
Zinc	1	1	1	1	1	1
Tin	1	1	1	1	1	1
Lead	1	1	1	1	1	1
Gold	1	1	1	1	1	1
Copper	2	2	2	2	2	2
Molybdenum	2	2	2	2	2	2

5/15/2016

Mining Insiders Focus on Peru

The Best Free Investment You'll Ever Make

Our analysts have traveled the world over, dedicated to finding the best and most profitable investments in the global energy markets. All you have to do to join our *Energy and Capital* investment community is sign up for the newsletter below.

Sign me up!

We never spam! [View our Privacy Policy](#)

You'll also get our free report, **How to Play Rare Earth Today** by our resident expert Jeff Siegel.

There have been significant roadblocks for MMG getting Las Bambas into production, however. Locals relentlessly protested the mine for months, citing environmental concerns.

Then things got ugly back in September when an estimated 15,000 people gathered in Challhuahuacho to protest the \$7.4 billion project.

At least four people were killed and dozens seriously injured. The clash prompted President Ollanta Humala to decree a state of emergency.

A month later, however, a delegation from Peru's government reached an agreement with community leaders in Apurimac state to end the indefinite strike against Las Bambas.

Protests against mines are not uncommon in Peru. Newmont Mining's (NYSE: NEM) \$4.8 billion Conga gold and copper project was derailed by unrest in 2011. Southern Copper (NYSE: SCCO) also put its \$1.4 billion Tia Maria project on hold in May after three protesters died.

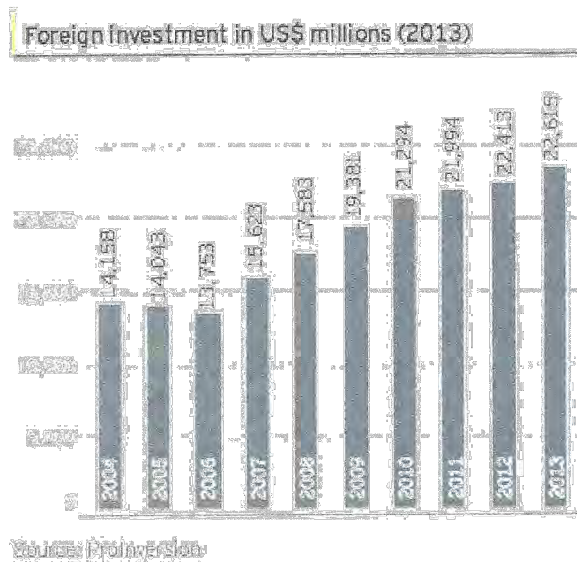
Despite these issues, mining investment continues to flow into the country.

<http://www.energyandcapital.com/articles/mining-insiders-focus-on-peru/5265>

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5/15/2016

Mining Insiders Focus on Peru



For miners, the country has an attractive investor-friendly system that's designed to support the industry.

The Peruvian government continues to actively attract mining investment by eliminating obstacles for foreign investors. Peru is considered to have one of the most open investment regimes in the world.

The mining sector has been a key source of economic growth for Peru, accounting for more than 55% of the country's exports. Officials certainly hope to keep it that way.

Over the next several weeks, I will be investigating several Peruvian mining plays to hopefully bring you a few good winners. Got a Peruvian mining play in mind you think I should check out? Leave a comment below.

Good Investing,

Luke Burgess
Energy and Capital

25 | INTERPRETATION AND CONCLUSION

The Piedra Amarilla properties contain one of the world's largest Titanium deposits, significant concentrations of Gold, other precious metals such as Platinum, Palladium and as rooted in the corporate name, 'Ag' consequential reserves of Silver. Approximately 30% of the world's economically recoverable Sulfur, through innovative technological processing methods, is held within these properties.

Demand for Sulfur is a known constant and the world market for Titanium is undergoing significant growth. There is a new compound that has come into light, with the increased need for energy, Lithium - energy for the future. There is a need for additional reports and investigation, however, geological assumptions in assays indicate there is an inherent possibility that Lithium could be a huge element of value on C.S.I.'s balance sheet. Recent technological developments with "little to no" overburden extraction and recovery costs were relatively low in the early 90's, and have remained at a low due to technology. (As a reminder, in 1998 Prince Abdullah Bin Saad-Al Saud, sought a 'co-venture' for Sulfur only at a proposed price of \$1.3 billion with all additional minerals as products of 'tailings' and the property of C.S.I. for processing.) This is favorable to Piedra Amarilla's project and fixes significant price advantages over their competitors worldwide.

As the 1990's estimates and projections at a fully commercial operation indicate, a return of approximately \$1+ billion per year in recoverable reserves is practical, escalating as the depths increase in mining and would exponentially increase the properties' value over the lifetime of the project. This does not take into consideration the development of additional mineral's marketing possibilities. Increases are evident as the mine matures into depths of the first few hundred feet. Assets of this property would undergo an enduring increase in worth, calculated by Recovery to Depth (RTD) ratio and the value would be estimated financially in the selling price. The property being sold under Fractional Cooperative Ownership (FCO) Property Trusts or retained by an outside operator is a joint venture with intentions to mine the property. Either way, the purchaser/owner has an 'exit strategy' with a substantial return-on-investment (ROI).

27 | REFERENCES

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