



# EXECUTIVE SUMMARY

Kodiak Mining, S.A. De C.V.  
Gpe. Victoria No. 10, Int. 1,  
Col. San Benito C.P. 83190,  
Hermosillo, Sonora, Mexico  
Mr. Edmund Steinberg  
Dimitrije Prelic  
Richard Murillo  
Terri Moran  
Created:050512  
Revised for Draft: 022121

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**KODIAK MINING, S.A. DE C.V.**

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## **EXECUTIVE SUMMARY**

### **DISCLAIMER**

For Information Purposes Only: This material is neither an offer to sell nor a solicitation of an offer to buy any securities which can only be done in compliance with applicable federal and state securities laws. The information contained herein was furnished by Kodiak Mining, S.A. De C.V. “Kodiak”.

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### **PROJECTION STATEMENTS**

Statements contained in this presentation may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Kodiak’s actual results may differ materially from those set forth in the forward-looking statements due to a number of risks, uncertainties and other factors.

These factors include, without limitation, Kodiak’s ability to obtain funding for its business plans, uncertainty in the demand for Kodiak’s services or products and ability to manage its growth. Kodiak does not assume any obligation to update these forward-looking statements.

### **RISK FACTORS**

The prospects of Kodiak are subject to a number of risks. There may exist, however, other factors which constitute additional risks, but which are not currently foreseen or fully appreciated by management.

#### **Liquidity and Capital Resources**

Kodiak has incurred net operating losses since the fiscal year ended December 31, 2010. However, Kodiak currently has operations that provide working capital. Kodiak is also seeking further project-based financing to develop its existing projects. There is no assurance that Kodiak will be able to secure adequate financing to fund those operations.

#### **Reliance on Efforts of Others**

Kodiak forms joint ventures with industry participants in order to finance and facilitate its activities. In some instances, Kodiak will depend on other companies to develop, provide financing, and operate its properties and projects. The prospects of Kodiak will be highly dependent upon the ability of such other parties. As indicated by the nature of the partners,



with which Kodiak is participating in current projects, management believes the risk in relying on such partners is reasonable.

### **Metals Price Volatility**

Future revenues from mining production that might be generated by Kodiak will be highly dependent upon the prices of metals. Fluctuations in the metals market make it difficult to estimate future metals prices. Such fluctuations are caused by a number of factors beyond the control of Kodiak, including regional and international demand, mining legislation of various countries, and taxes imposed by applicable countries. International political and economic conditions may also have a significant impact on metals prices. There can be no assurance of profitable operations even if there is substantial metals production.

### **Environmental Regulation**

The Mexican mining industries are subject to substantial regulation with respect to the discharge of materials into the environment, pollution, siting of operations or other factors relating to the protection of the environment. The exploration, development and production of metals are regulated by various governmental agencies with respect to the storage and transportation, the use of facilities for processing, recovering and treating and shipment of mining production. Many of these activities require governmental approvals before they can be undertaken. The costs associated with compliance with the applicable laws and regulations have increased the costs associated with the planning, designing, drilling, installing, and operating of mines and port facilities.

### **General Risks of the Mining Industry**

Kodiak's operations will be subject to those risks generally associated with the mining industries. Such risks include exploration, development and production risks as the exact amount of ore is unknown, title risks, and weather risks, shortages or delay in delivery of equipment and the stability of operators and contractor companies.

## **GENERAL PROFILE**

In 2000, the GDP of the State of Sonora was 40,457 million pesos, accounting for 2.74% of the country's total. In 2008, Moody's Investor's Service gave the State a A1.mx (Mexico) and Ba1 (global) ratings, based mostly on its strong economic base. Sonora has a highly skilled labor force, and strong ties to the U.S. economy, mostly due to its shared border with Arizona. This links and affects various sectors of Sonora's economy. Sonora is one of Mexico's wealthier states with the GDP per capita about 15% higher than average, and GDP growth generally outpaces the rest of the country, with a growth of 8.4% in 2006 as compared to the national average of 4.8%. The economic success of Sonora, especially its industrial and agricultural sectors, as well as the proximity of the United States border, has attracted large numbers of migrants to the State, from the central and southern parts of Mexico.



## **INDUSTRY AND MINING**

Sonora has the largest mining surface in Mexico, and three of the country's largest mines: La Caridad, Cananea and Minería María. It is also home to North America's oldest copper mine, located in Cananea. Grupo México, with one of its principle mining operations in Cananea, is the world's third-largest copper producer in the world. In 2002, mines produced 6,634.5 kilograms of gold, 153,834 kilograms of silver, five tons of lead, 267,171 tons of copper, three tons of zinc, 18,961 tons of iron, 7,176 tons barium sulphate. However, annual production is heavily dependent on world market prices.

Mexico's mining industry was mostly dominated by the Spanish during the colonial period, and then by foreign enterprises after Independence. In the 1960s and 1970s, the government forced out most foreign interests in Mexican mining, beginning with the increasing restriction of ownership in Mexican mining companies. These restrictions were relaxed starting in 1992, with the only restriction that the operating company be Mexican. Within three years of the change, more than seventy foreign companies, mostly U.S. and Canadian enterprises, opened offices in Hermosillo.

Major mining operations have had severe environmental impact, especially in the areas surrounding it, with Cananea as the primary example. Mining has been functioning here for over a century, with mining and smelter wastes polluting the San Pedro and Sonora Rivers near the mine, threatening both watersheds. Mining operations also destroy nearby forests due to the demand for building materials and fuel. Few old trees stand near the city of Cananea and the town of San Javier in central Sonora.

## **OPERATION STATEMENT**

In May of 2011, Mr. Edmund Steinberg and Mr. Dimitrije Prelic in Hermosillo, Sonora Mexico, formed Kodiak Mining S.A. de C.A. Kodiak's mission is to successfully develop a portfolio of mineral mining projects and a deep-water port in Sonora Mexico. Kodiak currently is involved in mining projects for Gold, Silver, Iron Ore, Manganese and Vanadium. Kodiak has also chosen to be deeply involved local humanitarian efforts.

Kodiak acquired seven different mineral mining claims in its first year of business; acquiring land ownership, mining and developing permit rights, along with state and federal tax mining rights. This is the process required to hold the highest level of land ownership in Mexico. In February 2012, Kodiak began construction and operation on their first mining project; Black Sand Gold/Silver. The first production unit will produce twenty-five (25) kilos of gold per month. Kodiak has the capacity to develop a total of six (6) production units on their Black Gold/Silver claims. The next big milestone for Kodiak is the start-up of their Iron Ore and deep-water port facility.

Kodiak's Iron Ore mining properties consist of a total of 1,000 hectares with full land



ownership. Kodiak's SGS Iron Ore Analysis Report indicates the Fe content is 68% straight from the ground without demagnetizing. Technical and geological reports show a total of 24,000,000 million tons of Iron Ore on these properties. Kodiak also has "stand-by" claims available to develop for more production. The first Iron Ore production unit is projected to reach 500,000 MT per month over a five-month period. The mining properties are capable of handling seven (7) production units. Kodiak currently has an Iron Ore stockpile of 20,000 metric tons (MT). Kodiak expects to be in full production on its Iron Ore mining project by July 2012. It will begin loading 100,000 tons of Iron Ore each month for the first four (4) months, then escalating to a total capacity of 500,000 MT per month in the 5<sup>th</sup> month. The second unit will be put into production two (2) months after production by the first unit.

The Kodiak deep water port facility will initially function solely to fulfill the transportation requirements of Kodiak's mining products. The land is located on the Baja Coast of Sonora, Mexico and consists of 4,500 hectares of land expanding across 5+ miles of coast. The Bathymetry Survey shows the water ways are deep enough to handle any size bulk cargo ocean-going vessel.

Kodiak's future plans call for the expansion of mining properties in the State of Sonora and to develop their deep-water port facility to provide access to all exporters and importers requiring a deep-water port facility on the Baja Coast of Mexico.

**SGS IRON ORE ANALYSIS REPORT**

**S6SL**

SGS Canada Inc.  
 PO Box 4300 – 185 Concession St  
 Lakefield – Ontario – KOL 2H0  
 Phone: 705-652-2000, fax 705-652-S365  
 Date Recd: 07 December 2011  
 LR Report: CA02373-DEC11

Kodiak Minerals  
 Altamonte Springs, Florida 32714 USA  
 Phone: 718-883-0986  
 December 21, 2011

**CERTIFICATE OF ANALYSIS**

**Final Report**

Sample ID	SiO2 %	Al2O3 %	MgO %	CaO %	Na2O %	1<20 %	TiO2 %	P2O5 %
1: Sample #1	3.05	0.69	0.18	0.21	0.03	0.07	0.02	0.06

Sample ID	MnO %	Cr2O3 %	V2O5 %	LOI %	Sum %	Fe %	S %	H2O %
1: Sample #1	0.12	< 0.01	0.01	-1.13	100.7	68.05	< 0.01	0.15

Party Quality Analysis  
 Assay basis: Dried at 105° C.  
 Project Coordinator



April Rice



### **IRON ORE START-UP PRODUCTION BUDGET**

<b>Item Description</b>	<b>Cost</b>	<b>Cost + Taxes</b>
Production Equipment	3,000,000	3,480,000
D-10 Bulldozer (2)	2,000,000	2,320,000
D-9 Bulldozer (2)	1,000,000	1,160,000
D988 Front End Loader (4)	1,600,000	1,856,000
Plant Site (200 hectares)	500,000	580,000
Complete Camp and Power Generators (2)	300,000	348,000
Trucks and Motorcycles	200,000	232,000
Transport Cost (Mine to Plant Site)	2,400,000	2,784,000
Production Cost	2,700,000	3,132,000
Crusher	3,500,000	4,060,000
Demagnetizer	500,000	580,000
Transport Cost (Plant to Port)	50,000	50,000
Administration	900,000	900,000
Road Permits	500,000	500,000
Road Development	500,000	500,000
Working Capital	900,000	900,000
<b>Total</b>	<b>20,550,000</b>	<b>23,382,000</b>

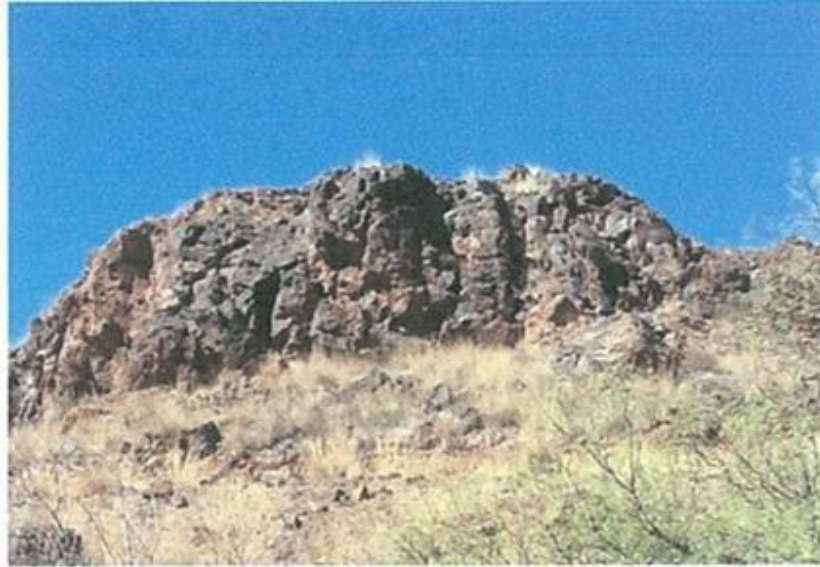
### **IRON ORE PORT START-UP PRODUCTION BUDGET**

<b>Item Description</b>	<b>Cost</b>	<b>Cost + Taxes</b>
Office and Customer Service Building	500,000	580,000
Work Shop	300,000	348,000
D988 Front End Loaders	1,000,000	1,160,000
D-9 Bulldozer	500,000	580,000
Dump Trucks (2)	200,000	232,000
Power Generators (3)	150,000	174,000
Corporate Vehicle	50,000	58,000
Heavy Duty Trucks (2)	175,000	203,000
3-M Transport Conveyor Belt	600,000	696,000
3-M Floating Base	800,000	928,000
Working Boat	150,000	174,000
Tug Boat	2,000,000	2,320,000
Houston Construction	1,000,000	1,160,000
Floating Dock System	6,500,000	7,540,000
Land	3,500,000	3,500,000
Provisional Port State Permits	500,000	500,000
Provisional Port Federal permits	3,500,000	3,500,000
Legal Representation	100,000	100,000
Reserve	1,200,000	1,200,000
Working Capital	1,000,000	1,000,000
<b>Total</b>	<b>23,725,000</b>	<b>25,953,000</b>



**Photo Gallery**

**Iron Ore Deposit**



**Iron Ore Deposit (Close-up)**





**Iron Ore (Small Particle) Stockpile**



**Iron Ore (Large Particle) Stockpile**



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**Photo Gallery**

**Iron Ore Port Site**



**Iron Ore Port Site Approach**



**Photo Gallery**

**Port Bathymetry Survey**

