

Ivanpah Sand & Gravel Mine

Business Plan

July 30, 2006

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This is a business plan. It does not imply an offering of Securities.

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Executive Summary

Las Vegas is one of the most thriving business communities in the United States. Gaming and other Industries have brought revenues to Las Vegas that has surpassed all economic growth projections. Recent economic evaluations, based on natural resource availability for this area are indicating steady and continued growth for the next ten years.

This constant and continual growth has compelled the construction industry to demonstrate record high volumes. Sand & Gravel aggregates are an integral and necessary commodity for this colossal construction performance.

Mill Bay Ventures currently have 16 placer claims covering 640 acres, located 20 miles West of Las Vegas, with reserves in excess of 75 Million Tons.

Ivanpah Sand & Gravel Mine will economically supply sand and rock to the now starving Consumers in Las Vegas and Neighboring Markets.

This plan has been developed to provide the least amount of financial exposure and the maximum amount of financial profit. This financial commitment has the scope of a short term payback basis of twenty four months or a long term payback basis of five to seven years.

The timing is now correct to move swiftly and accomplish our goals.

Respectfully,

Dale S. Andersen

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Mission Statement

Ivanpah Sand & Gravel Mine was formed to command the supply of sand and rock for cementitious consumers, and to provide large volumes and consistent quality necessary to supply the Las Vegas Building Community.

The Vision

Quickly establish Ivanpah Sand & Gravel Mine as a dominate force of sand and rock in the Las Vegas Valley. This mine will offer a 20 year source of sand and rock to supply Las Vegas and the surrounding communities. Set in place correct equipment and management to supply the commanding demand for dry and washed sand and rock products.

Marketing Plan

We will market rock and sand products for three unique customers;

1. Industrial Customers such as Cementitious Product Manufactures, Roof Tile, Block Plants, Concrete Pipe Companies.
2. Contractor Market such as Short Load, Redi Mix, Plaster and Mortar Contractors.
3. Consumers such as Planting Soils Mix, Greens Mix and Golf Course Bunker Sand. With allied efforts of these customers, we will provide consistent quality production, ensure contract commitments, and legitimize our product lines.

Although these types of customers will provide challenges in capital, dispatching and sales, quality and service will be the avenue to provide long term profitability. The key to this market strategy is proper balance of sales.

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IVANPAH SAND & GRAVEL
Management and Organization

General Manager

Plant Manager

Dispatch

Plant Operators

Equipment Operators

Security

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Operational Plan

The Office of Ivanpah Sand & Gravel Mine is located onsite in Jean, Nevada.

Mining Personnel: The basic operations will require one person for managing mining, loading materials and daily reporting and three people to process and load materials. All orders will be taken by the Office and then dispatched accordingly. The Operations will be overseen by the General Manager. The Manager will govern the entire operations with his management team. The number of field employees will be determined by the volume of materials needed to meet the sales demand. The shift hours are usually 10 hours per day, six days per week.

Trucking / Personnel: All trucking will be done either with independent trucking companies or through the leasing / purchasing of trucks to accommodate the demand. The Plant Manager and his staff will schedule all dispatch and hauling of materials.

Marketing and Sales: All Management Staff will take part in the sales of products.

Office Procurement: A consistent flow of field plant operations and office administration will be the responsibility of the General Manager, Office Manager and all position Managers. All purchases must be approved by the Purchasing Agent (General Manager) through purchase order numbers, followed by receipts of purchases. Sales, freight and inventory control will be documented daily, weekly and monthly. Daily trucking log sheets will show date, load time, quantity of material, and description of material, truck driver data and customer destination. Receipts of delivery, if applicable, will be signed by the customer. Sub-contractors will be governed by the General Manager and Operations Manager. Payroll and all governing taxes will be procured with a local independent payroll service company. Accounts Receivable, Accounts Payable, Budget Summary, Income Statement, Balance Sheet and all Financial Information will be available on the 15th of each following month.

Mining Plan: The mine site has its own unique mining plan that is established before operations begin. The mine site is surveyed to locate and stake all roadways, disturbed areas and mining boundaries. This is essential for future reclamation purposes.

Concept: The basic concept of operations is to mine, wash and size sand and rock, load into trucks and deliver to the consumer.

Safety: Safety is top priority. All mining in Nevada is governed by Federal "Mine Safety Health Administration", "State Department of Business and Industry"; "State Division of Industrial Relations"; "Mine Safety and Training"; "County Health District"; "Air Quality Division" and "County Public Works". Each and every person working with the Mining Areas have to be trained by a Certified Trainer. All Operations Personnel are presently qualified with Part 46; MSHA.

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Niche: With the continued depletion of sand and rock in the Valley, demand has placed consumers to find other sources of materials close to the Valley, but outside the non-attainment area. Ivanpah Sand & Gravel has the mine that will offer reserves of 75 Million Tons to service the Las Vegas Valley.

Promotion: All management personnel will promote sales through media of website, mail, fax, flyers personal contact and contractual bidding. We will use unique sales strategies and leverage the use of management, trucking and production costs to insure the distribution of our products.

Pricing: Operating cost, direct cost and overhead cost, plus profit margins will dictate competitive pricing. Market conditions although very competitive can be managed to produce a profitable pricing structure. The market will be evaluated to ensure proper pricing.

Distribution Channels: All Sand and Rock Products will be hauled directly from the Mine Located 20 miles West of Las Vegas.

Ivanpah Sand & Gravel will control a unique mining property to serve the Las Vegas Valley.

Ivanpah Sand & Gravel will finance, manage and procure mining operations, sales, dispatch and freight to the consumers in the Las Vegas area.

Ivanpah Sand & Gravel will establish a professional, experienced management team, to ensure long term success.

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Investment Requirements

Initial investment for Ivanpah Section 1 Township 26S Range 59E Meridian 21; Parcels 1-16 will be \$800 per acre to secure the mineral rights, One Hundred Twenty Eight Thousand US Dollars (\$512,000 USD), calculated as follows:

Sixteen 40 Acre parcels = 640 Acres @ \$800 USD = \$512,000

Initial Cost of Setup and Operations is estimated to be (\$7,670,000 USD) per attached financial projections and requirements.

Financial Plan

Financial Summaries will follow to demonstrate the viability and expected profitability of this business. We feel strongly that these numbers are a conservative representation assessment.

Estimates of Initial Costs

	Item	Month	Cost
1.0	Purchase Mining Claims	AUG	750,000
2.0	Secure Water Rights	AUG	2,500,000
3.0	Survey and Permits	AUG	25,000
4.0	BLM Prepaid Royalty	DEC	500,000
5.0	Permits and Testing	DEC	50,000
6.0	Administrative Setup	JAN/FEB	175,500
7.0	Equipment Acquisition	JAN/FEB	3,000,000
8.0	Operations Setup	FEB	300,000
9.0	Operations Startup	MAR	175,460
10.0	Cash Flow (2 Months)	MAR/APR	194,040

7,670,000

Rock and Sand Analysis for the Las Vegas Valley

Southern Nevada and more specifically the Las Vegas Valley are consistently at or near the top of most economic reports discussing growth. The booming gaming industry will draw 55 million visitors to the casinos on the Las Vegas Strip in 2005. It is estimated that for every hotel room built in Las Vegas, four jobs are created to support it, and another two jobs outside the industry. There are more than 200,000 rooms in Las Vegas today.

This boom draws a net of 6,000 new residents every month. Home construction tops 20,000 units and 8-10,000 apartments each year. The U.C. Commerce Department's Economic Analysis Bureau ranks Las Vegas as the top metro area for income per capita, with a continual annual growth rate of 4.3%.

The development is spread throughout the Valley. Major retirement communities are being developed. Del Webb has also recently purchased 4,000 acres for home development in the northern part of the Valley and Focus Development has recently purchased 2,000 acres in the southern part of the valley. The continual development has left the valley 3-4 years behind with infrastructure needed to support the growth.

There are currently 50 residential development projects of over 300 acres each in the Valley. Many of these have golf courses built in and around the communities.

There are 84 golf courses in the Las Vegas area and more are planned.

The Las Vegas Metropolitan Market

The economics of the Las Vegas Market are driven primarily by the gaming industry. By nature of this gaming industry, per capita production and consumption of concrete is higher than most other markets. That is because most of the large casinos are built with steel and concrete, as are the parking garages, pools and surrounding decks.

Concrete is the largest consumer of sand production in the area. Over the last five years, the concrete market in Las Vegas has averaged over six million cubic yards. There is an average of 1,300 pounds of sand per cubic yard of concrete. The second major consumer of sand is asphalt. There is approximately three million tons of asphalt produced and placed in the Valley every year. Approximately 25% of each ton of asphalt consists of sand and 50% of each cubic yard of concrete is sand.

The sand used in concrete is always a washed product that requires additional equipment and expensive water to accomplish this goal. Sand used in asphalt requires only about 10% of the total sand be washed. The remainder if carefully screened will meet most specifications.

The focus of this analysis has been primarily in the concrete market. The reason being the asphalt market is dominated by two principal players, Las Vegas Paving and Southern Nevada Paving. Unlike the ready mix producers, these companies are owned solely by individuals. They own their own materials, production equipment and construction crews. They purchase very little from outside of their own operations.

Therefore, the remainder of this analysis will focus on concrete producers in the area. By production size, the top seven are; Nevada Ready Mix, Rinker, Silver State Materials, Ready Mix Inc., Sierra Ready Mix, Builders Products and All Star Ready Mix. The other category for large sand consumption is concrete product manufacturers. These consist primarily of concrete pipe, block and roof tile. The major consumers in this category are Rinker (pipe and block) and Monier LifeTile (roof tile).

As with all growth, there is a downside and the Las Vegas Valley is no exception. For the last four years, the Las Vegas Valley has been a non-attainment area for air pollution. If Clark County, which Las Vegas is part of, does not improve the quality of their air, they face the loss of Federal dollars for various infrastructure projects and the imposition of EPA air quality regulations. Those are currently much more stringent than what is in place in Las Vegas. Sixty percent of the air pollution problem is caused by dust (pm10). Much of this comes from natural desert sands being disturbed by construction. In view of this, it is unlikely any new aggregate operations will be permitted in the Las Vegas Valley. The major effect on the market is that it makes existing operations more valuable because of their proximity to major construction projects.

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The Las Vegas Metropolitan Market

The second major challenge presented by growth in the area is that of water. Being a desert, there is a finite amount of water in Southern Nevada. Eighty percent of which comes from the Colorado River. Recently, Nevada has taken steps to assure there will be sufficient water to sustain growth until the year 2015. The cost of that water will continue to increase. This presents a practical problem for new operations that require water to wash their sand, again adding cost to the product.

SAND PRODUCERS

Southern Nevada Lightweight – This operation consists of several materials used to produce lightweight sand, Rhyolite, and other specialty materials. Of interest is the production of lightweight sand for concrete products, looking to manufacture lighter than normal materials. This material can be used in roof tile, block and other products where weight is a critical factor. Plaster sand is manufactured by this company. According to some plasterers, the Rhyolite in the sand does stand up to wear well and is being accepted by most plasterers. It is located 30 miles south of Las Vegas on I-15 and 8 miles to the east on a mostly paved road. This the only producing Rhyolite Mine in Southern Nevada.

SAND CONSUMERS AND PRODUCERS

Nevada Ready Mix – This Company is owned by Mitsubishi Cement which includes one of the largest aggregate production sites in the Valley, Lone Mountain.

Rinker – An international heavy construction supply company based in Australia, this is the second largest ready mix concrete producer in the Valley. However, with the inclusion of Hydro Conduit, a concrete pipe and utility vault production facility, and the concrete block plant, Rinker is the largest consumer of sand in the Valley. Their primary source of material is called the Eldorado Pit, located on the south eastern end of the Valley.

Silver State Materials – This Company is owned by an individual who operates several independent ready mix companies, one being Silver State Materials in Las Vegas and the others in the State of Utah. Silver State Materials is the largest independent producer without a large-scale aggregate operation of their own. They do lease and operate a small sand and gravel operation in the El Dorado Valley, southeast of the Las Vegas Valley, Construx. Much of this material is marginal and requires blending with other materials. Because of its distance from some of the plants, it is used primarily to feed one ready mix plant in the Henderson area. Silver State's other plants, one located in North Las Vegas, requires materials from outside locations. These locations have been Sloan, Infiniton, RMI, Lone Mountain, and Apex. Their purchases are determined by concrete mix design requirements, trucking advantages, and market price fluctuations. Silver State's third plant is located at Sloan, which is the largest permitted aggregate reserve in southern Nevada. Most of the material for this plant is purchased from Allied Aggregates, the owner and operator of this aggregate operation.

All Star Ready Mix – This company was recently purchased by Silver State Materials. All Star currently purchases sand from Infiniton, Pabco and occasionally Granite Construction at Apex. A Principle of All Star has purchased Horizon Sand and Gravel.

Sierra Ready Mix – Owned by an individual, this well-run company has opened a “State of the Art” sand and gravel operation near the Ivanpah Sand and Gravel proposed operation.

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Meadow Valley Construction – A medium-sized contracting company with operations in Utah, Nevada, Arizona, and owns Ready Mix, Inc. They have started their own aggregate operation, approximately 60 miles north of Las Vegas, adjacent to I-15. This aggregate operation supplies their northern plant, located in North Las Vegas and their southern plant as well. Last year they established a plant in the southeast portion of the Valley and buy from various sources for the plant. Ready Mix, Inc has recently purchased a Blm Sand and Gravel Pit located on Hwy 95 at the Lee Canyon exit.

Casino Ready Mix – A relatively small operation, that focuses on price as the determining factor in their purchases of sand. Casino has no mining operations.

Service Rock – This Company is the non-union operation for Mitsubishi Cement in the Las Vegas area. It operates at arms length from its sister company, Nevada Ready Mix and therefore, is a strong prospect for sand sales. It is likely that a reliable product and a fair price would get their business over a period of time. Service Rock has two locations, one in North Las Vegas and one in the southern part of the Valley. Service Rock has purchased Four Star Sand and Gravel.

Golf Courses – As mentioned previously, there are eighty four golf courses in the Las Vegas Valley. An established course requires approximately 800-1,000 tons per year to maintain, this according to two course maintenance managers in the Valley. Some courses are developing sources within the Valley for USGA and PGA sand, such as Nevada Ready Mix. Others are using sources that are close to specifications but would not meet stringent PGA specs. A number of the exclusive clubs bring in sand from California. This is clearly a market to be developed and will require significant effort to penetrate a close-knit group.

Pricing

As with most construction commodities, the sale of sand and rock is very price sensitive. The price for sand F.O.B. the Ivanpah Sand & Gravel Plant is between \$9.00 per ton. Average freight (within the Valley) averages \$5.00 per ton, making the average delivered sand price \$14.00 per ton.