

We organized a separate investment advisor and segregate our post-conference research concerning these companies where we have past advisory relationships. Counsel advised us that regulators may challenge our research as “not independent” after accepting advisory fees. The state of New Jersey Bureau of Securities declared our new investment advisor “John Tumazos Advisory and Compensated Research, LLC” (CRD #157606) effective June 29, 2011..

These are not “paid research reports.” We invested in Texas Rare Earth Resources and Appia Energy at early stages roughly one year ago, and advised them afterwards. We invested in Galway Resources and Paramount Gold and Silver after we advised them. In full disclosure we segregate our company research involving disclosed advisory relationships that may be perceived as ethical conflicts.

HIGHLIGHTS OF OCTOBER 2, 2012 METALS CONFERENCE PAST ADVISORY CLIENTS TEXAS RARE EARTH RESOURCES, PARAMOUNT GOLD, GALWAY RESOURCES, AND APPIA ENERGY

- **Galway Resources** described potential additions to its September 2012 1.1 mm oz gold 43-101 resource at California, a pending 1+ mm oz 2013 43-101 resource at the El Volcan mine in Vetas, the “stockworks” discovery of CB Gold adjoining the Vetas property and the “Slivers” containing hundreds of thousands of oz of gold adjoining AUX Gold (formerly Ventana) discoveries.
- **Paramount Gold and Silver** discussed its plans to add to its nearly 7 mm oz of gold and 160 mm oz of silver resources, and plans at Sleeper in Nevada a 81,000 ton per day, 17 year life, \$346 mm capital, \$278 sustaining and \$64 mm contingency project for \$749 per oz direct cash cost 172,000 oz gold and 263,000 oz of silver average annual output.
- **We suspended coverage in June 2012 for Texas Rare Earth Resources as we became non-executive chairman on August 6th to become an “insider.”**
- **Appia Energy** seeks continued funding to define more 43-101 compliant resources near Elliot Lake, Ontario in excess of 100 mmt grading roughly 1 lb/t of uranium and 3.5 lbs/t of Light rare earth resources.

Galway Resources Ltd – Larry Strauss, Director and VP Corporate Affairs

The California project is adjacent and on strike to the AUX that bought for \$1.5 billion the former Ventana Gold discoveries. The Qatar Investment Authority studies a \$2 billion investment into 49% of AUX, which could fund the consolidation of the “camp” including neighbors Galway Resources, Eco Oro, CB Gold and minor others.

Recently Galway Resources announced a 1.1 mm oz maiden resource at California at a 2 g/t cutoff where 40% was Indicated and 60% Inferred. Preliminary lab tests indicated 93%-99% gold recoveries with near 30% of gold recovered in gravity. Another 75,000 oz of gold come into resources at a 1.25 g/t lower cutoff. Silver is slightly larger than

the gold, but less recoverable. Copper averages 0.07%, which may create added metallurgical costs almost as much of its revenue values.

The Machuca zone of the California property is cross-cutting or perpendicular to the northwest California trend. Catalina is another zone, with just 7 holes excluded from the resource, further east of Machuca. Galway has drilled to 400 m.

Galway also owns certain “slivers” that adjoin and contain some gold of the AUX lands and block access. Galway Resources has no “slivers” in its resources. Galway believes these “slivers” contain hundreds of thousands of oz. AUX has expanded the Ventana Gold resources from 3.5 mm towards 10 mm oz mostly with deep drilling.

The Vetás property 8 km away contains the narrow vein, high grade “El Volcan” gold-silver mine near 14 g/t average assays of 1.5 meter average thickness. Vetás has 108 assays > 10 g/t, and 10 holes for over three such intercepts. It has potential for over 1 mm oz of gold resources plus silver values. Galway has enjoyed 2 assays of > 1,000 g/t gold among its first 35 Vetás holes, one 1.2 m and the other 3 m, and a 3,000 g/t assay separately at California.

The Reyno de Oro concession has 1.25 km of strike, and is not subject to Paramo restrictions by government grant. No such letter exists for the second concession.

The western flank of the Galway Vetás property adjoins the “Stockworks” discovery of neighbor CB Gold. Galway believes close to have of that discovery lies on Galway land. Galway awaits permits to access a better topography to drill holes more safely from the right direction.

The Victorio tungsten-moly deposit in New Mexico has up to 300 mm lbs of tungsten and 300 mm lbs of moly resources, and was the subject of a 2008 scoping study by SRK Consulting.

Galway Resources has borrowed \$10 mm at prime plus 0.5% without collateral from BMO, and bought out 6 land contracts on a 100%-basis although some are subject to 2.5% royalties that consumed much of the mid-2011 \$25 mm equity financing along with over 80 km of drilling both at California and Vetás. Another 3 titles are with the government for transfer paperwork of agreements already made. Some deals pay more for additional new gold defined in the next 15 months. Vetás deal payment terms are 1.5% of the measured and indicated resources at time of transfer for 100% ownership. All activity at El Volcan is on a single claim.

Paramount Gold and Silver Corp – Christopher Crupi, Chief Executive Officer

Senior V.P. Exploration Glen Van Troek, a Chilean, was a geologist at Placer Dome for over 10 years and oversees the company’s two projects.

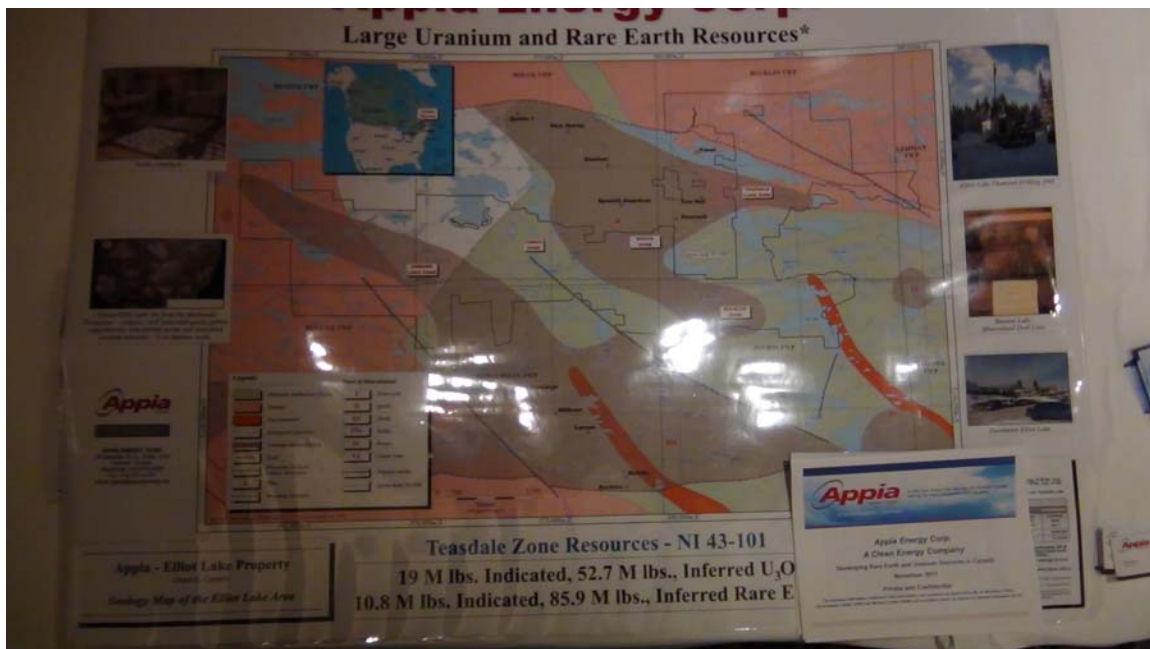
The Sleeper gold resource has near 5.5 mm oz of gold resources and 60,000 oz of silver. Past output was 1.6 mm oz of gold and 8 mm oz of silver. The PEA NPV at a 5% discount rate is \$675 mm. The plan is a 81,000 ton per day, 17 year life, \$346 mm capital, \$278 sustaining and \$64 mm contingency project for 172,000 oz gold and 263,000 oz of silver average annual output. It estimates a \$5.50 per ton mining and processing cost for heap leaching. It estimates direct cash production costs near \$749 per oz. The IRR at \$1,384 gold nad \$26.33 silver is 27%, and nears 40% at spot gold.

Further exploration continues to “South Sleeper,” which has been augmented by new claim-staking. The new project excludes reprocessing any former mill, leach or waste dumps. Recently Paramount Gold and Silver staked over 100 claims open near its property, and continues exploration nearby. It owns the water rights in the basin, which it shares or sells to NEM’s “Sandman” adjoining deposit bought from Fronteer Gold.

The September 2012 San Miguel resource in Mexico done by MDA of Reno estimated 1.47 mm oz of gold and 100 mm oz of silver. Its grades are high. The San Francisco heap leach gold zone recovers 70% of the gold in the first ten hours of leaching. The San Miguel PEA is due by year-end.

Paramount Gold did a \$22 mm self-brokered equity financing in March. Warrants should add \$8 mm in March 2013. Diluted shares are 158.2 mm.

Paramount Gold estimates Coeur d’Alene Mines paid five times Paramount Gold’s current valuation per oz to buy Palmerejo in 2007 at \$675 gold.



Appia Energy Corp (privately held planning IPO in 2013)
Tom Drivas, President & Chief Executive Officer

Figure 2: Appia Energy Explores in Historic “Elliot Lake,” Ontario uranium district of prior 313 mm lbs historic uranium output. Appia has 43-101 compliant inferred resources of 72 mm lbs uranium and 96 mm lbs rare earth resources, which we estimate will increase to over 100 mm lbs of uranium and over 350 mm lbs of rare earth resources based on cumulative results to date near 1 lb/tonne UR and 3.5 lbs/t REE.

We provide our metals industry earnings estimates, gold price assumption and related data for the stocks under regular coverage at “John Tumazos Very Independent Research, LLC” as a basis for comparison.

Universe Table 1: John Tumazos Very Independent Research, LLC Metals and Mining Coverage Universe

Steel	Rating	Price 10/2/12	Target Price	Mkt Cap (\$ mm)	Shares 10/2/12	Earnings Estimates			P/E Multiples		Gross Cash Flows		
						2012E	2013E	2014E	2013E	2014E	2013E	2013E	
						EPS	EPS	EPS	P/E	P/E	CF/Share	P/CF	
X	US Steel	N	18.99	44	3,257	171.5	(\$3.82)	\$0.68	\$3.84	27.8	4.9	\$5.01	3.8
NUE	Nucor	U	37.82	30	12,010	317.6	1.40	2.87	3.04	13.2	12.5	4.75	8.0
ATI	Allegheny Technologies	O	31.00	80	3,608	116.4	1.91	2.66	3.92	11.7	7.9	4.95	6.3
WOR	Worthington Ind.(May FY)	O	21.50	30	1,510	70.3	1.65	2.02	2.10	10.6	10.2	\$2.91	7.4
Gold Mining													13 P/CF
GYSLF	Eco Oro Minerals	O	0.91	5	77	84.2	(0.15)	(0.15)	(0.51)	NM	NM	(0.13)	NM
TAHO	Tahoe Resources	O	19.60	29	2,903	148.1	0.00	0.00	2.07	NM	9.5	0	NM
PVG	Pretium	O	12.81	37	1,266	98.8	(0.05)	(0.07)	(0.18)	NM	NM	\$ (0.07)	NM
AEM	Agnico Eagle	N	52.45	38	8,980	171.2	1.52	2.02	2.08	26.0	25.2	\$ 3.33	15.8
AU	AngloGold	N	34.58	32	13,878	401.3	4.22	4.64	3.81	7.5	9.1	\$7.36	4.7
NEM	Newmont Mining	U	55.67	36	28,235	507.2	4.48	4.81	4.92	11.6	11.3	\$8.68	6.4
GG	Goldcorp	U	45.62	26	37,677	825.9	2.02	2.31	2.67	19.8	17.1	\$3.68	12.4
ABX	Barrick Gold	O	41.62	43	41,911	1007.0	4.65	5.54	6.23	7.5	6.7	7.72	5.4
RGLD	Royal Gold	U	98.18	53	5,642	57.5	1.61	2.20	2.89	44.7	34.0	3.82	25.7
FNV	Franco Nevada	U	60.37	30	8,991	148.9	1.22	1.45	1.59	41.5	38.0	2.35	25.7
SLW	Silver Wheaton	U	38.80	21	13,943	359.4	1.51	1.36	1.61	28.6	24.2	1.57	24.7
Copper/Nickel/Diversified													13 P/CF
PLM	Polymet Mining	N	1.13	3	231	204.0	(0.03)	(0.05)	(0.07)	NM	NM	(0.05)	NM
DULMF	Duluth Metals	N	2.30	7	314	136.6	(0.07)	(0.08)	0.01	NM	NM	(0.09)	-25.3
GMO	General Moly	U	3.11	2	365	117.5	(0.17)	(0.14)	0.71	NM	4.4	(0.12)	NM
MLKKF	Mercator Minerals	N	0.59	2.5	169	289.0	0.16	0.29	0.99	2.0	0.6	0.54	1.1
TC	Thompson Creek	N	2.68	5	451	168.4	(0.26)	0.61	1.34	4.4	2.0	\$ 1.56	1.7
HBM	HudBay Minerals	N	9.67	12	1,700	175.8	0.11	0.27	0.40	36.0	23.9	1.12	8.6
CCJ	Cameco	N	20.04	24	8,120	405.2	0.47	0.43	0.61	46.9	33.1	1.07	18.8
FSUMF	Fortescue Metals	N	3.62	4	11,279	3114.0	0.50	0.91	0.88	4.0	4.1	1.12	3.2
ANFGF	Antofagasta PLC	O	19.76	23	19,484	985.9	1.66	2.47	2.26	8.0	8.7	\$ 2.65	7.5
TCK	Teck Resources Ltd	O	29.43	64	17,428	592.2	\$2.09	\$3.83	\$3.71	7.7	7.9	\$ 5.76	5.1
FCX	Freeport-McMoRan Cop.	O	39.68	62	37,101	935.0	4.27	7.81	9.40	5.1	4.2	\$10.05	3.9
GLCNF	Old Glencore Int'l PLC	O	5.40	7	37,368	6920.0	0.81	0.99	1.00	5.4	5.4	\$ 1.31	4.1
GLCNF	New Glencore-Xstrata	O	5.40	10	66,628	12338.5	0.79	0.98	1.00	5.5	5.4	1.55	3.5
Xsraf	Xstrata	O	15.51	28	45,477	2932.1	1.92	2.58	2.74	6.0	5.7	3.70	4.2
AAUKY	Anglo American ADR	N	14.99	22	38,527	2570.0	2.49	3.07	2.69	4.9	5.6	7.59	2.0
RIO	Rio Tinto ADR	U	47.22	39	89,671	1899.0	3.46	3.62	3.11	13.0	15.2	9.20	5.1
VALE	Vale	O	17.84	25	91,903	5151.5	1.99	2.53	2.00	7.0	8.9	3.65	4.9
BHP	BHP Billiton ADR	O	68.71	137	183,662	2673.0	5.77	7.39	7.65	9.3	9.0	10.83	6.3
Aluminum													13 P/CF
AWC	Alumina Ltd	N	3.47	4	2,116	609.9	(0.03)	(0.01)	0.04	NM	81.0	(0.07)	NM
CENX	Century Aluminum	N	7.19	5	636	88.5	(0.82)	(0.49)	0.17	NM	43.5	\$ 1.71	4.2
AA	Alcoa	N	8.85	10	9,416	1064.0	(0.00)	0.06	0.93	NM	9.5	\$1.53	5.8

Sources: Company reports, AISI, Comex, LME and JTVIR, LLC estimates.

Universe Table 2: METALS UNDERLYING ASSUMPTIONS

	2005	2006	2007	2008	2009E	2010	2011	2012E	2013E	2014E	2015E
U.S. Steel Shipments (mm Tons)	105.0	109.5	106.4	97.8	60.3	83.4	91.9	96.0	99.5	99.5	99.5
Gold Price (\$/oz)	438	604	697	870	972	1,229	1,585	1,617	1,600	1,500	1,500
Silver Price (\$/oz)	\$7.00	\$11.52	\$13.00	\$14.86	\$14.75	\$20.29	\$35.63	\$30	\$25	\$25	\$25
Copper Price (\$/lb)	\$1.65	\$3.08	\$3.20	\$3.11	\$2.34	\$3.44	\$4.00	\$3.73	\$4.20	\$4.00	\$4.00
Nickel Price (\$/lb)	\$6.71	\$10.93	\$16.00	\$9.46	\$6.65	\$9.92	\$10.42	\$8.14	\$8.50	\$9.00	\$9.00
Alum Ingot (\$/lb)	\$0.84	\$1.13	\$1.20	\$1.18	\$0.76	\$0.99	\$1.09	\$0.90	\$0.95	\$1.05	\$1.15

Sources: Company reports, AISI, Comex, LME and JTVIR, LLC estimates.

Universe Table 3: John Tumazos Very Independent Research, LLC Metals and Mining Universe (cont.)

		2013E Book Value	Tang Book Value	Est. Tang BV/share 2013	Price/ Tang. BV	2013 EV	2013 EBITDA	2013 EBITDA EV/	Div.	Yield
Steel										
X	US Steel	4,263	2,218	\$12.93	1.5	\$11,524	\$1,205	9.6	\$0.20	1.05%
NUE	Nucor	7,850	5,234	\$16.48	2.3	\$15,132	\$2,119	7.1	\$ 1.46	3.86%
ATI	Allegheny Technologies	2,926	2,188	\$15.62	2.0	\$5,090	\$782	6.5	\$ 0.72	2.32%
WOR	Worthington Ind. (May fisc)	813	556	\$7.91	2.7	\$2,049	\$306	6.7	\$0.52	2.42%
Gold Mining										
				13 TBVPS				Div. Yld		
GYSLF	Eco Oro Minerals	60	60	\$0.71	1.3	\$329	(14)	NM	\$ -	0.00%
TAHO	Tahoe Resources	1,088	1,088	7.35	2.7	\$2,913	374	7.8	\$ -	0.00%
PVG	Pretium	457	457	\$ 4.62	2.8	\$ 1,303	\$ (8)	NM	\$ -	0.00%
AEM	Agnico Eagle	3,684	3,455	\$21.46	2.4	\$9,820	778	12.6	\$ 0.80	1.53%
AU	AngloGold	9,128	8,918	\$21.89	1.6	\$12,515	\$3,993	3.1	\$ 0.62	1.78%
NEM	Newmont Mining	16,075	16,075	31.69	1.8	30,033	5,880	5.1	\$1.40	2.51%
GG	Goldcorp	24,352	22,615	\$27.38	1.7	\$37,566	3,831	9.8	\$0.54	1.18%
ABX	Barrick Gold	32,292	22,666	22.50	1.9	\$49,234	\$10,238	4.8	\$ 0.80	1.92%
RGLD	Royal Gold	1,936	1,936	33	3.0	\$221,472	291	761.5	\$ 0.60	0.61%
FNV	Franco Nevada	3,214	3,214	21.58	2.8	\$8,047	396	20.3	\$ 0.60	0.99%
SLW	Silver Wheaton	3,080	3,080	8.57	4.5	12,991	566	22.9	\$ 0.36	0.93%
Copper/Nickel/Diversified										
				13 TBVPS				Div. Yld		
PLM	Polymet Mining	135	135	\$0.66	1.7	\$280	(\$10)	NM	\$ -	0.00%
DULMF	Duluth Metals	161	161	1.18	1.9	(\$1,052)	(\$38)	27.3	\$ -	0.00%
GMO	General Moly	17	17	0.14	21.9	1,071	(27)	NM	\$ -	0.00%
MLKKF	Mercator Minerals	462	462	1.60	0.4	\$677	227.14	3.0	\$ -	0.00%
TC	Thompson Creek	2,366	2,319	\$ 13.61	0.2	\$984	213	4.6	\$ -	0.00%
HBM	HudBay Minerals	1,840	1,840	\$10.47	0.9	\$1,939	\$234	8.3	\$ 0.20	2.07%
CCJ	Cameco	5,009	4,713	\$ 11.90	1.7	\$9,165	862	10.6	\$ 0.40	2.00%
FSUMF	Fortescue Metals	5,554	5,554	\$ 1.78	2.0	18,647	5,066	3.7	\$ 0.08	2.21%
ANFGF	Antofagasta PLC	9,824	9,513	\$ 9.65	2.0	\$18,188	4,917	3.7	\$ 0.44	2.23%
TCK	Teck Resources Ltd	20,011	18,364	\$ 31.01	0.9	\$21,325	\$ 5,137	4.2	\$ 0.80	2.72%
FCX	Freeport-McMoRan Coppe	18,985	18,660	\$ 21.19	1.9	\$40,392	14,829	2.7	\$ 1.25	3.15%
GLCNF	Old Glencore Int'l PLC	36,616	36,616	5.29	1.0	73,126	\$7,757	9.4	\$ 0.15	2.78%
	New Glencore-Xstrata	72,694	72,694	\$5.89			23,256	0.0	\$ 0.15	
xsraf	Xstrata	53,976	45,748	\$15.60	1.0	\$50,864	16,224	3.1	\$ 0.23	1.46%
AAUKY	Anglo American ADR	52,938	50,616	39.30	0.4	\$30,112	15,818	1.9	\$ 0.33	2.20%
RIO	Rio Tinto ADR	59,827	43,685	\$23.00	2.1	\$120,247	\$17,801	6.8	\$ 1.45	3.07%
VALE	Vale (CVRD)	79,014	79,014	\$15.34	1.2	104,826	23,350	4.5	\$ 1.18	6.60%
BHP	BHP Billiton ADR	79,519	74,407	\$12.95	5.3	\$208,469	\$42,802	4.9	\$ 2.20	3.20%
Aluminum										
				13 TBVPS				Div. Yld		
AWC	Alumina Ltd	2,672	2,672	\$1.50	2.3	\$3,055	\$22	136.5	\$ 0.24	6.92%
CENX	Century Aluminum	702	702	\$ 7.94	0.9	\$1,539	\$67	23.0	\$ -	0.00%
AA	Alcoa	14,171	8,920	\$8.38	1.1	\$9,416	\$2,447	3.8	\$0.12	1.36%

Sources: Company reports, AISI, Comex, LME and JTVIR, LLC estimates.

DISCLOSURES

John Tumazos Advisory and Compensated Research, LLC (JTACR) is a separate investment advisor registered with the State of New Jersey Bureau of Securities on June 27, 2011 as CRD # 157,606. **Under no circumstances will JTACR be commissioned by a mining or other publicly traded company simply to write a “paid” research report.** Its purpose is to include research reports after separate compensation has been received for an advisory service such as a fairness opinion, mergers & acquisitions advice, introductions of investors in a capital raising or other advisory services. Regulators presume that any “compensation” or potential compensation biases research

reports, however small, and outside counsel advises us that we should not write about a company as “John Tumazos Very Independent Research, LLC” if compensated or seeking compensation.

We have created a separate web site, www.advisoryandcompensatedresearch.com to support JTACR. It is separate from our normal research investment advisor site, www.veryindependentresearch.com.

Paramount Gold and Silver, Galway Resources and Texas Rare Earth Resources have published favorable results from mineral properties, and their shares appreciated significantly after we received compensation. The purpose of JTACR is to remedy a “regulatory blackout,” where we cannot publish research as “independent” under JTVIR after accepting compensation. The creation of JTACR remedies such a “regulatory gag,” while openly communicating that we were compensated. It is possible that some institutional investors may consider it to be a “feather in the cap” of a small company that it engaged us to advise them in a transaction owing to our experience.

After receiving compensation from Paramount Gold and Silver in June 2010 for a fairness opinion in its acquisition of X-Cal Resources or from Galway Resources, Tara Gold Resources, Appia Energy, Focus Gold, Texas Rare Earth Resources in 2010 or potentially other companies in the future, John Tumazos Very Independent Research, LLC (JTVIR) refrains from publishing research reports on such companies.

We define “compensation” as any consideration that creates direct pretax income for any of our businesses, research or advisory or any of our employees personally. However, we do permit companies to defray expenses, and large companies’ policies vary. Rio Tinto or Teck have invoiced us for charter aircraft. In contrast, we have accepted free air travel to mine sites from Vale within Brazil, Canada or Mozambique, from Agnico-Eagle to Finland, Chihuahua or Nunavut, Stonegate Agricom to Idaho, Freeport-McMoRan Copper and Gold in Arizona, Fortescue Metals to its mines, HudBay Mineral to Manitoba, Peru or Michigan, Goldcorp in Canada, Mexico and Argentina, Quadra FNX Mining in Nevada, Arizona and Sudbury, Brigus and VG Gold each to Timmons, Augen Gold to Swayze, Paramount Gold and Silver to Chihuahua, Goldcorp to Zacatecas, and many others. We do not define as “compensation” if Barrick Gold, Duluth Metals, Wits Gold or some other company picks up a group client lunch tab or buys us lunch alone. We do not define as “compensation” if a company charters an airplane to facilitate a research visit to a mine location without convenient commercial air service. We routinely invoice companies participating in our investor conferences \$1,000 to \$2,000 each to cover their pro rata expenses of the conference on a “Dutch Treat” basis, where we send each company a full expense accounting of our conferences as well.

The nature of the advisory services we have provided for compensation include (1) fairness opinions to the boards of directors of Paramount Gold and Silver, Tara Gold Resources, Tara Minerals Corp., and Augen Gold, (2) introductions to capital raising for Texas Rare Earth Resources and Appia Energy and (3) advisory on joint venture, strategy or capital raising for Galway Resources Victorio tungsten-molybdenum property.

As of September 30, 2011, Paramount Gold and Silver, Galway Resources, Tara Gold, Appia Energy and Focus Gold are eligible for JTACR research reports as having been “advised” and we have been “compensated.” However, Texas Rare Earth Resources, Galway Resources and Quaterra Resources are the subject of current engagements, which may restrict our ability to write on them as regulators may presume we possess non-public information. In the past we have advised Duluth Metals, the Dorado Ocean Resources former subsidiary of Odyssey Marine Exploration and a private forest products company FXX, LLC without success and without receiving compensation.

Because of Texas Rare Earth Resources June 10, 2011 disclosure of a financing upon which we had advanced knowledge and introductions, the June 28, 2011 disclosure that its S1 registration statement was effective with the SEC, and a subsequent June 30, 2011 8K filing with the SEC describing both our advisory relationship and that no mergers and acquisition discussions currently are ongoing, we treat July 2011 as an “open window” in which JTACR may write on TRER and during which a group of our employees or outside sales representatives may buy an approximately 40,000 share block of TRER.

We will distribute JTACR reports to JTVIR paid subscribers free, the particular mining companies may distribute JTACR reports from time-to-time and eventually we may sell JTACR to its own subscribers for \$5,000 annually after building up a coverage list.

We will monitor the financial returns of JTACR investment recommendations over time, and compare them to JTVIR returns. We expect that JTACR recommendations will provide much more volatile returns than the larger, more established companies JTVIR covers as large as BHP Billiton, Vale or Rio Tinto. Under previous employment at Donaldson, Lufkin & Jenrette, John Tumazos participated in the sole managed IPOs of Huntco in 1993 and Reliance Steel & Aluminum in September 1994 at \$3.225. Huntco subsequently went bankrupt after speculating on inventory and operating at low utilization rates. Reliance Steel & Aluminum, however, appreciated 16-fold to \$51.32 as of May 20, 2011. It is inevitable that some companies will make better decisions than others.

CERTIFICATION OF OUR RESEARCH OPINIONS

I, John Tumazos, certify that the opinions written in all research reports are my own. I believe what we write, and from time to time I may buy or sell the shares we recommend after a 48 hour delay after publishing our reports following the advice we give. Further, I personally proofread and “click the pdf button” on virtually every report we publish except sometimes when I am abroad.

It is my management policy that any employee is welcome and encouraged to disagree with me at any time. We have active and vigorous internal debates concerning appropriate discount rates or long-term terminal growth rates to use in net present value valuations or other analytical issues. My team realizes that customers want to pay for my

30+ years of experience, but I encourage them to disagree, correct or provoke debate concerning any view to improve the quality our work.

DEFINITION OF A RESEARCH OPINION

We have target prices, investment ratings, earnings estimates and financial models for about 40 companies upon which we maintain regular research coverage.

The legal or regulatory definition of research, however, is more broad. Regulators consider any written or editorial commentary about a stock or publicly traded company to be “research.” However, a “recommendation” or “opinion” is not rendered unless there is a price target and specific buy or sell recommendation.

From time-to-time we visit very large, important global companies outside our research coverage. Our objective may be to be well informed about industry events, predict future mine output or “supply” in a particular market or to begin to learn about a complex company to begin future full research. We may need to learn and become familiar to provide inputs to our financial models. In May 2008 we published a partial report on Xstrata after visiting two of its mines in South America. In November 2008 we published a partial report summarizing our visits to the London headquarters of Xstrata and Anglo-American outside our coverage as well as Rio Tinto and Antofagasta PLC within our full coverage. In August 2009 we published two research reports on Severstal after visiting its Columbus, MS newest steel plant a second time. These “partial” reports contained no price target, investment rating, earnings estimates or financial models. Instead, they provided detailed descriptions of the important locations we visited or meetings in headquarters.

We provide research about commodities markets in general, “seminar highlights” on up to another 75 or more companies we host annually at our conferences outside our regular full research coverage and “partial reports.” We have no price target, written investment opinion, earnings estimates or financial models (production, incomes statement, cash flow or balance sheet simulations) of such companies outside our coverage that speak at our March or November conferences. Any viewpoint we have without complete financial models or careful financial analysis is “winging it.”

Our intent in writing Seminar Highlights is to provide a one page written summary of each seminar participant company’s presentation. We provide live open, public, unrestricted webcasts of each such corporate presentation at our conferences as a courtesy to each participating company, and archive each webcast under the “conferences” tab of www.veryindependentresearch.com.

Our clients should not automatically consider our invitation of a company to speak at our future conferences as a “Buy Recommendation” or complete endorsement. We may not have visited the mines or assets of some of these companies. Occasionally we invite a company to speak to learn more about them as a stage in our learning process. Knight Capital Group co-hosted our November 18-19, 2009 industry conference, providing us

with “more hands” to administer the event and share costs. Knight Capital Group invited a company to speak as well. We have been approached by other broker-dealers interested in sponsoring or co-hosting our conferences, and our small team may accept help in hosting 275 or so guests at such a program.

ORGANIZATION OF JTVIR

John Tumazos Very Independent Research, LLC (JTVIR) is organized as an investment advisor in the State of New Jersey and regulated by the NJ Bureau of Securities. We publish about 20 research reports each month covering about 35 to 40 stocks in the metals commodities markets, forest products, aluminum, steel, gold, copper and other mining sectors. We travel abroad or domestically typically each month visiting companies. We host two Metals Conferences each year in which companies make presentations, which are archived for roughly one year at www.veryindependentresearch.com under the “conferences” tab.

Currently we have over 40 paid clients in the U.S., Canada, and U.K. Three of our clients have engaged us to write “custom studies” on pre-production mining stocks without any U.S. or global research coverage, including Skye Resources (an 11 bil lb nickel resource in Guatemala), Mercator Minerals (a copper-moly restart in Arizona) and JSW Steel’s 70%-owned Minera Santa Fe (48 sq km undrilled magnetic anomaly and associated iron ore properties in 3rd Region of Chile).

AUGUST 6, 2012 APPOINTMENT TO BOARD OF TRER

On August 6, 2012 we joined the board of Texas Rare Earth Resources, and were elected Non-Executive Chairman. We made an early stage investment in the company after it obtained its core property in the fourth-quarter of 2010, and we and other activist shareholders believed there was room for improvement in its business plan and performance in 2012. We do not expect our participation in TRER to be indefinite in duration, and believe that it will eventually seek a larger mining company to help it complete its projects.

Up until this point we had declined all invitation to join Boards of Directors. We do not want distractions or other activities to weaken JTVIR, LLC. Further, we have a “team psychology” and a large commitment to one another within JTVIR, LLC.

JTVIO

John Tumazos Very Independent Opinions, LLC (JTVIO) is a separate company providing various services “other than” investment research sold to institutions in JTVIR. Counsel advised any other activities be organized separately.

Such other activities have involved < 5% of our time.

In general, we may provide investment banking or advisory services mostly to sub-\$100 mm mining companies that have defined a “deposit,” but need more capital after a discovery for infill drilling, bulk metallurgical testing, definitive feasibility study or the capital outlays to build a mine. The “research coverage” of JTVIR largely involves very large companies with completed steel, aluminum, forest products or mine plants with market capitalizations usually between \$1 and \$250 billion. Historic companies often over one century old, such as Alcoa or U.S. Steel or BHP Billiton, will use top ten commercial or investment banks for advisory services and we make no attempt to be engaged by them owing to their long historic relationships.

We prefer to advise companies without revenues, which large investment banks like Goldman Sachs, JP Morgan, Morgan Stanley or BMO often avoid. Such mining companies without revenues are not as competitively over-banked, and many of the geologists are quite gifted and have extremely promising projects.

We have accepted compensation from Texas Rare Earth Resources and Appia Energy, a private concern, related to introducing investors to them.

In August 2011 we advised the Board of Directors of Augen Gold that a hostile tender offer from Trelawney Mining was “inadequate by \$300 mm.” Augen Gold paid us, but retained separately Canaccord Genuity to render the fairness opinion that we did not render.

On October 6, 2010 we were engaged by Dorado Ocean Resources Limited, a privately held company. That assignment has concluded without success or compensation.

On October 9, 2010 we were engaged by Tara Gold Resources to evaluate the fairness of their September 13, 2010 proposed merger to amalgamate with Tara Minerals, which it terminated on March 7, 2011. That assignment took a different form, however, as Tara Gold Resources adapted to new developments. We delivered a “structure opinion” to Tara Gold Resources and Tara Minerals on May 20, 2011 that the cancellation of the announced September 13, 2011 merger was “fair.”

On June 24, 2010 we delivered a Fairness Opinion to the board of directors of Paramount Gold and Silver in their acquisition of X-Cal Resources, Ltd concerning the Sleeper gold mine near Winnemucca, NV formerly operated in 1986-1996 by Amax Gold and having past output of 1.66 mm oz gold and 2.3 mm oz silver plus 26,000 oz of placer gold almost one century ago. We covered Amax Gold and its parent companies, Amax Inc. and Cyprus Amax Minerals, as an analyst during its 1986-1996 former period of operation. We have received compensation from Paramount Gold and Silver.

On June 3, 2008 Galway Resources engaged JTVIO to commercialize its Victorio, New Mexico molybdenum-tungsten deposit containing over 200 mm pounds of each mineral in situ, which is JTVIO’s first activity (see www.galwayresources.com June 3, 2008 press release). We have received compensation from Galway Resources. That assignment

concluded, as Galway determined to take its moly-tungsten project in Canada using a new publicly traded listed vehicle.

These past engagements pose no “conflict of interest” with JTVIR research coverage as long as JTVIR does not cover or write on Paramount Gold and Silver, Galway Resources, or other sub-\$250 mm market cap emerging companies. However, subsequently Galway Resources has documented gold occurrences on Galway grounds and begun drilling. After our November 6-12, 2009 trip to the California gold district of Colombia, we published research reports on Greystar Resources and NOT Galway Resources to avoid conflicted research. We omitted Galway Resources from our “Conference Highlights” report even though it spoke at our November 19, 2009 conference in a similar vein to avoid conflicted research.

Two other small capitalization companies, which we have not named as they have not made disclosures, engaged us to sell assets or negotiate joint ventures. These assignments expired without success or compensation, and we forfeited one year “follow on” periods. We may have occasional discussions with others.

Knight Capital Group asked us to “introduce” capital raising clients to it, principally in the range of \$100 mm to \$1 billion market capitalization emerging mines. Knight paid us nothing, and enjoyed no success. We have terminated that relationship.

JTVIO envisions merger advisory, “second opinion” critiques of investment banking advice, strategic consulting, valuation opinions, fairness opinions, mine technical services such as “Third Party Reviews” of technical studies or other corporate services.

INVESTOR RELATIONS, CORPORATE MARKETING OR “ROADSHOW”

During 2011 several companies have asked us to schedule “roadshows” or investor meetings for them. Sometimes companies offer to pay us for such efforts. Generally these companies are small emerging mines without revenues.

Such compensation would be JTVIO business activity, as it is not “investment research” provided to institutions. However, many of our institutional investor clients in fact appreciate us bringing companies into their offices and some institutions have policy guidelines permitting them to pay for “corporate access” but not written research to research providers such as JTVIR. Thus, such “investor relations” or “roadshow” activities are inter-related to our core activities.

If we receive revenue from a company, however small, that constitutes taxable income in excess of expenses incurred, any future research we may publish will be “John Tumazos Advisory and Compensated Research, LLC” (JTACR) and not JTVIR reports.

JTACR

John Tumazos Advisory and Compensated Research, LLC (JTACR) is a separate investment advisor registered with the State of New Jersey Bureau of Securities on June 27, 2011 as CRD # 157,606. **Under no circumstances will JTACR be commissioned by a mining or other publicly traded company simply to write a “paid” research report.** Its purpose is to include research reports after separate compensation has been received for an advisory service such as a fairness opinion, mergers & acquisitions advice, introductions of investors in a capital raising or other advisory services. Regulators presume that any “compensation” or potential compensation biases research reports, however small, and outside counsel advises us that we should not write about a company as “John Tumazos Very Independent Research, LLC” if compensated or seeking compensation.

We have created a separate web site, www.advisoryandcompensatedresearch.com to support JTACR. It is separate from our normal research investment advisor site, www.veryindependentresearch.com.

During the second half of 2011 JTACR has published research reports on Texas Rare Earth Resources, Paramount Gold and Silver and Galway Resources. Thus, it was published only on these three companies, and represents < 10% of our personnel’s company research and < 5% of our written research report output.

POTENTIAL MONEY MANAGEMENT ACTIVITIES

We manage approximately \$10 mm of my own money. Our trades conform to our published research and follow publication by a minimum of two business days. Client recommendations have first priority.

In November 2011 we accepted our first customer money management account, and we are beginning to set up an account and legal agreement to manage money for him. We are in the process of completing such paperwork.

Money Management for clients could be another line of business. “Mine Development Fund” is a “current” project to establish a small fund to invest in post-discovery, large resource companies (over \$2 billion in situ mineral value already defined) requiring financing to “build the mine” and grow. The target market cap of the companies in which it would invest would be \$0.1 to \$10 billion. Our detailed studies of emerging mines may prove synergistic across several applications. We have also considered creating sector ETFs, but determined there is more value-added in fund management.

Our published research of nearly 1,000 research reports to Since July 7, 2007 has concentrated on the metals commodities themselves, steel, aluminum, forest products and larger capitalization mines like Rio Tinto, BHP, Freeport-McMoRan Copper, Barrick Gold, etc. Only 7%-10% of our written research involves the “sub-\$2 billion mine” size range that would be the focus of either JTVIO or Mine Development Fund. Thus, compliance issues or conflicts of interest would occur in a smaller subset of JTVIR coverage as JTVIR coverage involves larger caps, “established processing companies” or

commodities. JTVIO or the buy-side Mine Development Fund will focus on much smaller companies

POTENTIAL MINE SERVICES ACTIVITIES

We do not aspire to have a “consulting” business billed by the hour. However, as a substantial user of mine feasibility study reports or other technical reports prepared at early stages after first discovery, sometimes we are very dissatisfied.

We have not yet launched such a service, but we may from time-to-time provide “Third Party Review,” critique or correct what we deem to be shortcomings in such mine scoping study or prefeasibility study reports. We do not seek to “second guess” scientific issues of mine engineering or metallurgy. However, we may differ with the mathematics of reserve determination, capital cost estimates, “simultaneity” of price and cost assumptions, various business planning issues, the opportunity to “phase” or subcontract to reduce initial capital costs or other financial issues. The “custom studies” we have provided to several buy-side JTVIR customers may resemble “Mine Services” future products presented as “Third Party Review” of mine technical studies.

JTVIR DISCLOSURES

“John Tumazos Very Independent Research, LLC” (JTVIR) is a Delaware Corporation formed July 6, 2007 with registration effective on August 27, 2007 as an investment advisor in the state of New Jersey owing to our place of business in New Jersey.

JTVIR is not a broker-dealer, and conducts no trades. Its primary business is to provide “unbundled” metals and paper industry securities and market research to institutions or corporations in a zero commission, electronic execution, electronic dissemination, unbundled format for a specified annual fee structure.

Our investment rating system for securities recommendations is Overweight, Neutral Weight or Underweight. Overweight or Underweight recommendations are estimated to vary from the relative performance of the S&P 500 by more than 10% annually, and the intended time horizon is up to 24 months. Our securities research is intended for institutional investors that might buy up to 10% of a given company, and as such focuses more towards longer-term dynamics impacting the net present value of future cash flows rather than “day trading” sorts of near-term issues.

Except for Teck Corp., FCX, Cliffs Natural Resources, BHP Billiton, Southern Copper, Mercator Minerals, Platinum Group Metals, Packaging Corp. of America, Domtar, International Paper, SilverWillow Energy, Alumina Ltd., HudBay Minerals, VMS Ventures, Advanced Exploration Inc., Rainy River Resources Ltd, Vale, Xstrata, Anglo American, Allegheny Technologies, Worthington Industries, Tahoe Resources, Everton Resources, Majescor, Anglo Aluminum, Stonegate Agricom, Premier Gold, Wits Gold, Virginia Mines, Paramount Gold and Silver, Entrée Gold, McEwen Mining, Claude Resources, Kirkland Lake Gold, Magellan Minerals, Argonaut Resources, Northern

Superior, Connacher Oil and Gas, Duluth Metals, Polymet Mining, URU Metals, Appia Energy, Texas Rare Earth Resources Corp., Quantum Rare Earth, Galway Resources, Eco Oro (Greystar Resources), Pilot Gold, High Desert Gold, Renaissance Gold, and Atna Resources, neither JTVIR, its members or its employees own or have a financial interest in any securities discussed in this report or any reports we have published recently. Our policy is full disclosure.

Our policy permits personal trading in the metals or paper industries. Our policy is that any personal trading must be consistent with our recommendation, made two business days or more AFTER a recommendation or change in recommendation and held for a minimum of 30 days or one month. We believe it is virtuous for a securities analyst to “put his or her money where his mouth is” to invest consistent with the recommendation to clients after such recommendation has been made, and we disagree with some restrictions made upon broker-dealer employees after 2000 era scandals.

Until August 6, 2012 when we joined the board of TRER, we had declined all requests to join corporate boards as our existing business keeps us busy. However, our policy permits up to three directorships and up to five consulting projects, advisory assignments or financial advice to corporations that might supplement, backcheck or substitute for certain services of a large investment banking firm. For example, we would accept an engagement to evaluate investment banking advice on behalf of a manufacturing company concerned whether advice is sincere or intended to maximize fees.

Our policy is full disclosure of any advisory relationship or conflict going back three years, except if our corporate clients have not disclosed the asset (or company itself) is for sale.

Numerous prior investment banking relationships existed prior to three years history to the pre-1997 time frame under the employment of Donaldson, Lufkin and Jenrette or Oppenheimer & Co., Inc. Some of these we can recollect included 14 different gold mine valuations or sales for Barrick Gold, LAC Minerals (later acquired by Barrick), Addington Resources (gold assets in Montana acquired by Canyon Resources), Westworld Industries (Bolivian assets acquired by Battle Mountain Gold later acquired by Newmont Mining), Coeur d’Alene Mines, Crown Resources (acquired by Kinross Gold), Freeport-McMoRan Gold (acquired by Minorco later AngloGold later Queenstake Resources), FMC Gold (later renamed Meridian Gold) and others. Sole managed initial public offerings included Reliance Steel & Aluminum and Huntco. Lead-managed initial public offerings included American Steel & Wire (later acquired by Birmingham Steel) and lead-managed underwritings included Quanex. Co-managed underwritings included the IPO of Century Aluminum and Grupo Imsa and offerings for AK Steel, Kaiser Aluminum, Agnico-Eagle Mines, Cameco and others. Asset sales or purchase advisories, fairness opinion or trusteeships were done for Thyssen Steel (sold to Ryerson Tull), Cyclops Corp. (sold to Armco later sold to AK Steel), Allegheny Corp., Bethlehem Steel, the U.S. Dept. of Justice pursuant to the June 1984 merger of LTV and Republic Steel to sell the Gadsden, AL integrated flat-rolled mill, Cobre Copper, and others. Typically more than five investment banking assignments were evaluated, partly executed or “due

diligenced” for any completed transaction. Some examples we can recall for which a prospectus was either drafted or partly drafted indicating much work included stock underwritings not completed for Wheeling-Pittsburgh Steel, Steel Dynamics, Atlas Corp., Webco, Sharon Steel, IPSCO, Co-Steel Inc., and others.

ANALYST UNIVERSE COVERAGE:

John C. Tumazos, CFA as of June 2007: Rio Tinto, Louisiana-Pacific, Nucor Corp., Newmont Mining, U.S. Steel, International Paper, BHP Billiton, MeadWestvaco Corp., Antofagasta PLC, Allegheny Technologies, Alcoa Inc., Inco Limited, Bowater, Temple-Inland, Barrick Gold, Abitibi-Consolidated, Weyerhaeuser Co., Alcan Inc., Smurfit-Stone Container, Plum Creek Timber, Worthington Industries, Goldcorp Inc., AngloGold Ashanti, Freeport-McMoRan Copper & Gold, and FNX Mining..

Dynatec, Alcan and Bowater are companies not continued in the research coverage of JTVIR, LLC that was previously included in the prior June 6, 2007 Prudential Equities Group universe owing to takeovers. Smurfit-Stone Container and AbitibiBowater were dropped from JTVIR research coverage after they entered bankruptcy. Skye Resources and FNX Mining were dropped after full coverage initiation due to takeover. FNX Mining, Brett Resources, Linear Gold, Comaplex Resources, Skye Resources, Fording Coal, Gold Eagle Mines, International Royalty, Selkirk Metals, Franconia Minerals and Fronteer Gold are companies that have spoken, were scheduled or invited to speak at our conferences and later taken over, and UTS Energy successfully defended a takeover offer.

Subsequently, since September 2007 JTVIR, LLC has initiated regular coverage of new companies not previously covered in the former universe at the former Prudential Equities Group. These new companies include Teck, Agnico-Eagle Mines, Mercator Minerals, Skye Resources, General Moly, Inc., Duluth Metals, Polymet Mining, Greystar Resources, Vale, Xstrata, Anglo American, Packaging Corp. of America, Norbord, Rock Tenn, Quadra FNX Mining, HudBay Minerals, Alumina Ltd., Fortescue Metals, and Century Aluminum.

In accordance with applicable rules and regulations, we note above parenthetically that our stock ratings of “Overweight,” “Neutral Weight,” and “Underweight” most closely correspond with the more traditional ratings of “Buy,” “Hold,” and “Sell,” respectively; however, please note that their meanings are not the same. (See the definitions above.) We believe that an investor’s decision to buy or sell a security should always take into account, among other things, that the investor’s particular investment objectives and experience, risk tolerance, and financial circumstances. Rather than being based on an expected deviation from a given benchmark (as buy, hold and sell recommendations often are), our stock ratings are determined on a relative basis (see the foregoing definitions).

There is no intention to “balance” the number of Overweight or Underweight ratings, as instances of broad over- or under-performance among basic industrials may occur. JTVIR makes each investment judgment in a “bottoms up” manner based on the assets of each individual company.

Price Target – Methods/Risks

The methods used to determine the price target generally are based on future earning estimates, product performance expectations, cash flow methodology, historical and/or relative valuation

multiples. The risks associated with achieving the price target generally include customer spending, industry competition and overall market conditions.

Additional risk factors as they pertain to the analyst's specific investment thesis can be found within the report.

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