

FEASIBILITY STUDY

RIA Mines Inc.

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1. Introduction

The purpose of this short Feasibility Study is to show the actual feasibility of this project by exploring the major aspect of it.

They fall into three categories:

1. Market
2. Organizational and technical
3. Financial

The questions we must answer include but are not limited to:

1. Is the nepheline syenite there in sufficient quantity and is it accessible to mine?
2. Can the mining take place in the specific quarries mentioned?
3. Can the rock crushing take place in the quarries or on the mountain?
4. Can the crushed stone be transported down the mountain to the Port of Newport?
5. Does the Port of Newport have the facilities to handle the transportation of the material from Newport by barge or by ship?
6. Can RIA Mines get sufficient customers in the Pacific Northwest, the west coast of the US and Canada and Mexico and Japan and Europe?
7. What is the cost of providing the material to the customers in ways in which they can use it?
8. What is the approximate price of the material to the customer?
9. Can the RIA Mines make money from this operation?
10. Does RIA Mines have the management to undertake this operation?

The persons involved in putting together this Feasibility Study are as follows:

Dr. Cyrus W. Field, Professor and Chairman Emeritus, Dept. of Geosciences, Oregon States University, Corvallis, Oregon.

Mr. Dennis Reno, Founder and former President and CEO of Kasper-Hall Corp.

Mr. Don Mann, General Manager, Port of Newport, Newport, Oregon

Mr. Fred Postlewait, President and CEO, Oregon State Bank, Newport, Oregon.

Mr. Gregory B. Malarkey, Senior Vice President for Sales and Marketing, Malarkey Roofing Products, Portland, Oregon.

Mr. Orlando Cavedoni, President of

Mr. Hiroshi S. Ohashi, former Vice President, GE of Japan

Mr. Joe Ho, President and CEO, MPS International Marketing Ltd., Richmond, British Columbia, Canada

Dr. Thomas B. Manton, President and CEO, RIA Mines Inc., Newport, Oregon.

The above persons were instrumental in participating in this Feasibility Study. Except for the case of Mr. Ho and Dr. Manton these persons are experts in their various fields and have agreed to supply information to make this Feasibility Study possible.

Mr. Ho and Dr. Manton are responsibility for putting this material together and writing the final draft which has been reviewed in whole or in part by the above persons.

2. The deposit of nepheline syenite on Table Mt. in Oregon

The deposit of nepheline syenite on and within Table Mountain is located southeast of Newport, Oregon. From the Port of Newport the most likely route is US Rt. 101 south from Newport to Waldport for 15.5 miles and then on Oregon State Route 34 east. Just past milepost 13 there is a US Forest Service road that climbs up to the main quarries on Table Mt. measures approximately 10 miles. Thus from the quarries to the Port of Newport it is approximately 38.5 miles.

The United States Geological Service (USGS) has done extensive work on Table Mt. and they have concluded the following:

The USGS Professional Paper 840, which features the Table Mountain nepheline syenite, suggests the deposit may be 400 feet thick. Using this number the indicated quantity is 700 million tons of probably reserve.

The immediately proven and able-to-mine reserves are between 35 and 40 million tons. Currently five quarries are open and could be mined with just a simple operating permit from the U.S. Forest Service. One of those quarries was being operated by the Forest Service for obtaining gravel to cover the logging roads needed in the Table Mountain area. Thus the immediate environmental restrictions are not major.

According to Bulletin 81 (1973) Environmental Geology of Lincoln County, Oregon, by the Oregon Department of Geology & Mineral Industries, and Henry Harris (1962) Economics of Coast Range Igneous Rocks in Oregon, U.S. Bureau of Mines unpublished report, the deposit is 300 feet thick, and covers one square mile - please see claim map in the USGS report.

The Oregon Department of Geology & Mineral Industries Bulletin assumes, from the vertical relief of the deposit (i.e: the elevation difference from outcrops on the top of the mountain, to the bottom of the exposure, adjusted for the angle of the slope), an indicated total of 700 million tons of recoverable nepheline syenite.

In addition, there is a privately held quarry right next to the land that RIA Mines have contract with the lease holder Mr. Barry Murray which has been holding the leases on 640 acres of Table Mt. for the last 20 years. This addition track of land is 320 areas and has a working quarry on it and does not need any State or Federal permission. We have agreed, in principle, to lease this land for the mineral rights from this private party.

There are other quarries available to RIA Mines within Lincoln County that contain usable nepheline syenite.

The USGC has, in 1995, examined the nepheline syenite taken from Table Mt. and has shown the following results.

U.S. Geological Survey Certificate of Analysis

Syenite STM-1

A sample of peralkaline nepheline syenite was collected from a sill that underlies Table Mountain which is approximately 60 km WNW of Eugene, Oregon. The rock sample was light to medium gray and had a glassy luster. The material was holocrystalline and very fine to fine grained, having a very pronounced trachytic texture (Flanagan, 1976).

Element concentrations were determined by cooperating laboratories using a variety of analytical methods. Certificate values are based primarily on international data compilations (Abbey, 1983; Gladney and Roelandts, 1988; Govindaraju, 1994). Initial USGS studies (Flanagan, 1976) provide background information on this material.

Recommended Values

<u>Oxide</u>	<u>Wt %</u>	<u>±</u>	<u>Oxide</u>	<u>Wt %</u>	<u>±</u>
SiO ₂	59.6	0.49	CaO	1.09	0.06
Al ₂ O ₃	18.4	0.23	MgO	0.10	0.02
Fe ₂ O ₃	2.87	0.02	Na ₂ O	8.94	0.20
FeO	2.09	0.03	K ₂ O	4.28	0.07
Fe ₂ O ₃ T	5.22	0.1	P ₂ O ₅	0.16	0.01
			TiO ₂	0.14	0.01

Glossary

<u>Symbol</u>	<u>Definition</u>
Fe ₂ O ₃ T	Total iron expressed as Fe ₂ O ₃
S _{tot}	Total concentration of sulfur
Wt %	Percent of total element concentration
µg/g	Total element concentration expressed as micrograms of element per gram of solid sample
±	One standard deviation

Notes

Unless otherwise indicated, total element concentrations are reported for material on an as-received basis, i.e., no drying.

<u>Element</u> $\mu\text{g/g}$ \pm	<u>Element</u> $\mu\text{g/g}$ \pm	<u>Element</u> $\mu\text{g/g}$ \pm
Ba 560 60	Gd 9.5 0.8	Sm 13 1
Be 9.6 0.6	Hf 28 2	Sr 700 30
Ce 260 18	La 150 6	Ta 19 1.2
Cl 460 40	Mn 1700 120	Tb 1.6 0.2
Cs 1.5 0.1	Nb 270 12	Th 31 3
Dy 8.1 0.5	Nd 79 7	U 9.1 0.1
Er 4.2 0.4	Pb 18 1.8	Y 46 5
Eu 3.6 0.3	Rb 118 6	Yb 4.4 0.4
F 910 50	Sb 1.7 0.2	Zn 235 22
Ga 35 5	Sc 0.61 0.07	Zr 1210 120

<u>Element</u> $\mu\text{g/g}$	<u>Element</u> $\mu\text{g/g}$	<u>Element</u> $\mu\text{g/g}$
Ag 0.08	Co 0.9	Ni 3
As 4.6	Cr 4.3	S _{tot} 43
B 6.4	Cu 4.6	Sn 6.8
Bi 0.13	Li 32	Tm 0.7
Cd 0.27	Mo 5.2	V 8.7

Certificate Information

Denver, Colorado
revised March 1995
David B. Smith
Central Region Mineral Resources Team (formerly Branch of Geochemistry)

With 35 to 40 millions tons of proven reserves by the USGS there is adequate quantity of nepheline syenite in Table Mt. alone to justify the opening and the operation of this mine. If RIA Mines could obtain even the very conservative figure of \$80 per ton, that proven reserve would amount to between \$2.8 BILLION. The mine would be productive for at least for 50 years.

It is the intention of RIA Mines to make products from the nepheline syenite that was add considerable value to the selling price of nepheline syenite.

As is mentioned above the probably reserves according to the USGS is 700 million tons which would make it the largest nepheline syenite deposit in the world.

Table Mt. would be the only large producing mine of nepheline syenite in the United States.

RIA Mines has just one competitor which is owned by a family in Belgium and is a monopoly in the commercial selling of nepheline syenite today.

Please see within the marketing section some of the uses for nepheline syenite.

3. How RIA Mines can extract the stone from the quarries crush it and transport it to the Port of Newport for shipping to the customer

The simple answer is that it has already been done by the US Forest Service and various timber companies that have used nepheline syenite as a cover for the road all over Table Mt. Miles and mine of both US Forest Service road as well as timber company road are built with a nepheline syenite cover that has been mined from various quarries on Table Mt.

In addition, this stone has been crushed on the mountain for use on the roads and therefore it has already been done for some years now.

What RIA Mines will need a substantial crusher in one of the quarries to crush the stone to the size required by the customer. If further crushing is needed, it could be done on land leased to us by the Port of Newport, very close to the place from which the material is shipped to the customers.

The roads mentioned above have taken very large timber trucks on a very regular basis. Therefore, it is possible to transport by truck the crushed nepheline syenite from the quarries on Table Mt. to the Port of Newport from which they are transported by barge to the customers in the Pacific Newport of the United States.

As mentioned earlier, the first 5 miles of the road from the quarries to State St. 34 is gravel cover with nepheline syenite. The second 5 miles is a tarmac road which ends at State Rt. 34 at approximately Milepost 13. From the US Forest Service road until Waldport is about 13 miles. At that juncture one travels north on the coast highway US 101 for 15.5 miles to the Port of Newport. From Milepost 13 to Waldport to Newport it is an excellent road.

RIA Mines will be leasing land right in the Port of Newport area to store and then transport by barge to the clients in Portland, Oregon where it will be offload on a Columbia River port to truck to the client in Portland. If there is one client in Tacoma, Washington barges could be sent up to the Port of Tacoma where it would be offload on to trucks for delivery to the client there.

This procedure is very normal on the west coast of the US and routine in the Pacific Northwest.

The Port of Newport has been most cooperative in providing the possibility of RIA Mines using a great deal of the Port land and the Port facilities. RIA Mines is now being invited into more formal negotiations which will lead towards a Lease/Contract between RIA Mines and the Port of Newport for use of the land and the Port facilities.

5. The customers in the Pacific Northwest for the Nepheline syenite

There are many use and markets for nepheline syenite. Some of these uses and markets are spelled out in great detail in the Business Plan. However, for the purposes of this Feasibility Study RIA Mines is suggesting that straight purchases of ground nepheline syenite could be marketed immediately.

Hence, RIA Mines initial customers are in the states of Oregon and Washington. The prime client has been very carefully cultivated over a number of years. This client is in Portland and makes roofing tiles from various kinds of stone. During 2005 RIA Mines provided this client a large sample of the rock crushed to their specifications. They tested the crushed rock and found that they could use the crushed nepheline syenite to replace the three or four various crushed rocks they import from out of the state of Oregon.

The extra bonus for this customer is that since they produce roofing tiles the insulation factor in the material is very important. We are told that

RIA Mines is now meeting Mr. Greg Malarkey, Senior Vice President for Marketing and Sales of **Malarkey Roofing Products** in Portland to offer a Conditional Contract of Sales. Mr. Greg Malarkey is the nephew of the owner of the company and seems to have free reign to make commitments on behalf of the company.

Mr. Malarkey is being offered a 10% discount off the market price for Malarkey Roofing Products as the lead customer of RIA Mines. He has indicated to RIA Mines that Malarkey Roofing Products will need at least 50,000 tons of nepheline syenite per year to meet their own requirements.

Mr. Malarkey has also suggested that he could be the “broker” for RIA Mines to obtain additional contacts with two other factories in the Portland area as well as one factory in Tacoma, Washington. Mr. Malarkey estimated that each such factory would need 50,000 tons per year of the product. He offered to help RIA Mines make the deal with these companies in the same form as it would be with Malarkey – a Conditional Contract of Sale. For this service RIA Mines is promising the “broker” a commission when the deal is completed.

Mr. Malarkey told RIA Mines that he and others want to deal with an Oregon company for a variety of reasons including that the product is near by within the State and the product would replace both the filler and the backing of the tiles – which could be a substantial saving to them.

The proposed Conditional Sales Agreement is as follows:

CONDITIONAL SALES AGREEMENT

THIS AGREEMENT MADE AS OF THE 21st DAY OF FEBRUARY, 2006.

BETWEEN: **RIA MINES Inc.**, a company duly incorporated under the laws of the State of Nevada, having a business office in Newport, Oregon, USA (hereinafter referred to as "VENDOR")

OF THE FIRST PART

AND: **Malarkey Roofing Products** a company duly incorporated under the laws of the State of Oregon, having a business office in Portland, Oregon, USA (hereinafter referred to as "PURCHASER")

OF THE SECOND PART

1. Vendor hereby sells to Purchaser and Purchaser hereby accepts from Vendor on the terms and conditions hereinafter set forth: **50,000 Metric Tons of Nepheline Syenite**, ordered herein (all of which shall hereinafter be referred to as the "Goods").
2. The said Goods shall be delivered to Purchaser by Vendor within 180 days from the execution of this Agreement, upon condition, nevertheless, that title hereto shall remain in Vendor and shall not pass to Purchaser until the purchase price has been paid in full (together with interest thereon).
3. Goods have to meet all Purchaser's specifications for the use as roofing material. Purchaser will provide specifications to Vendor 90 days before delivery of Goods. Final written acceptance of the specifications from Purchaser is required for the delivery of Goods.
4. The price will be 10% off the market price at the date when the specifications condition is removed.
5. Purchaser shall pay a 20% deposit on the date when the specifications condition is removed.
6. The Payment Schedule is: 20% at removal of the specifications condition, 40% at delivery, and 40% thirty days after delivery.
7. If Purchaser fails to accept delivery, it shall forfeit its deposit as liquidated damages for Vendor's expenses and efforts and Vendor shall be permitted to dispose of the Goods without any liability to Purchaser whatsoever. This does not limit Vendor's rights to additional damages against Purchaser.

8. From the time of delivery until all payments and other obligations of Purchaser have been fully performed, Purchaser shall bear the full burden of any loss or damage to the Goods due to fire, theft or any other cause whatsoever. This is regardless of the fact that the title to the Goods remains in Vendor. Purchaser covenants and agrees to keep the Goods in good condition and repair until payment in full including interest has been made.
9. Purchaser covenants and agrees to keep the Goods insured at all times against risks of fire (including extended coverage), theft, and other risks as Vendor may require, in such form, for such periods and with such companies as may be satisfactory to Vendor. Such insurance to be made payable to Vendor as its interest may appear. If loss, injury or destruction occurs to the Goods before payment in full has been made, Vendor shall have the right to collect any insurance money payable as its interests may appear and such insurance money shall be deemed to be payments towards the purchase price for the Goods. Purchaser however, shall remain fully liable for any deficiencies which may result after such application of insurance monies has been made.
10. Purchaser shall not mortgage, sell pledge or otherwise dispose of the Goods and shall keep the Goods free and clear of all liens, charges and encumbrances whatsoever until payment in full has been made. Vendor may pay any lien, charge or other encumbrance on the Goods and add the amount thereof to the amount secured by this Agreement and if Vendor so chooses, the whole amount secured by this Agreement shall fall due.
11. Purchaser shall be in default under this Agreement upon the happening of any of the following events or conditions:
 - (a) default in the payment (including interest) or performance of any of the obligations or any covenant or liability contained or referred to in this Agreement;
 - (b) if any warranty, representation or statement made or furnished to Vendor by or on behalf of Purchaser proves to have been false in any material respect when made or furnished;
 - (c) loss, theft, damage, destruction, sale of the Goods or the placing of any mortgage, lien, charge or other encumbrance whatsoever upon or against the Goods; and
 - (d) death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver of all or any part of the Goods, assignment for the benefit of creditors by, or the commencement of any proceedings under any bankruptcy or insolvency laws by or against Purchaser.
12. Upon the happening of any event or condition of default and at any time thereafter, Vendor may declare the obligations secured by this Agreement immediately due and payable, whereupon all the obligations shall become due and payable forthwith and Vendor shall have in addition to any other rights and remedies provided by law, the rights and remedies of a secured party under the laws of the State of Oregon and those provided by this Agreement. Vendor shall have the right to take immediate repossession of the Goods by any method permitted by law.
13. No waiver by Vendor of any default shall operate as a waiver of any other default or of the same default on a future occasion.

14. Purchaser acknowledges that this Agreement constitutes the entire contract between the Parties and that there are no representations, warranties or conditions express or implied statutory or otherwise, other than those contained herein.
15. The Goods shall remain personal property irrespective of the manner of their attachment to the realty, and title thereto shall be and remain vested in Vendor until the purchase price thereof has been fully paid and Purchaser has fully complied with all his obligations under this contract. Until full payment, Vendor shall be vested with title to any additions and substitutes in and to the Goods as well as title to the Goods themselves.
16. The interest of Purchaser in this contract or in the Goods shall not be assigned, sold or transferred nor shall the Goods be leased, loaned or rented or removed from the address stated in Purchaser's bill of sale.
17. This Agreement shall be binding upon and endure to the benefit of the parties hereto, their heirs, executors, administrators, successors and assigns.
18. This purchase order is an offer to purchase the Goods. Receipt by Buyer of Seller's acceptance by the return of one copy of this Purchase Order duly executed by the Seller within thirty (30) days of the date of this purchase order will create a contract upon the terms and conditions herein set forth.

Thomas B. Manton
RIA MINES Inc.

Greg Malarkey
Malarkey Roofing Products

The customers in Europe and Japan for nepheline syenite

The commercial sale of nepheline syenite in Europe and the United States is a monopoly now being head by a single family in Brussels operating out of a holding company in the Italian part of Switzerland. They have their principal mines in Blue Mt. in northern Ontario, Canada as well as on an island in the Arctic Circle of northern Norway. The Norwegian mine is underground therefore the costs as substantially higher.

In December 2005 and January 2006 RIA Mines was contacted by Mr. Hiroshi Shin Ohashi. Dr. Manton visit Mr. Ohashi and his long term friend of colleague Mr. Orlando Cavedoni from Italy who has been in the business of selling nepheline syenite for many years. He knows the inside of this business. Mr. Ohashi was a Vice President of General Electric of Japan for consideration time and has been in the consulting with both Japanese and American company for some years now.

Dr. Manton has a most productive series of meeting with them over a 24 hour period on time in January 2006 in Rancho Mirage, California.

As a result, it was decided to award the marketing of our product to Mr. Orlando Cavedoni as the exclusive agent of the company in Western Europe and the Mediterranean area. This will be a great addition to our marketing effort since Europe is very familiar with the product and has considerable need for in the manufacturing process of ceramics and tile industry.

We have awarded Mr. Ohashi the marketing for our product in Japan and are working very closely with him in the area of developing nuclear waste containers.

RIA Mines very much looks forward to working with both gentlemen in the coming months and years.

6. Nuclear waste containers made from nepheline syenite

Introduction:

Starting in 2010 the Yucca Mt. facility is due to open. We are told that during the last 40 years only 3,000 nuclear waste containers have been moved around the country. In contrast, once Yucca Mt. opens, we are told that between 50,000 and 100,000 nuclear waste containers will be shipped from up to 126 currently used nuclear waste sites to Yucca Mt. Within Table Mt., RIA Mines Inc. has the material from which we could manufacture very safe and effective nuclear waste containers – namely, nepheline syenite.

The US Dept. of Energy states:

*“For over two decades, the Yucca Mountain Project has conducted an extensive scientific effort to determine whether Yucca Mountain, Nevada is a suitable site for a deep underground facility called a repository. The purpose of a repository is to safely isolate highly radioactive **nuclear waste** for at least 10,000 years.*

*On July 9, 2002, the U.S. Senate cast the final legislative vote **approving the development of a repository at Yucca Mountain.***

*The Yucca Mountain Project is currently focused on preparing an application to obtain a **license** from the **U.S. Nuclear Regulatory Commission** to construct a repository.”*

What RIA Mines has been told by:

The Chief Scientist of the US Dept of Energy has said the ideal material to make nuclear waste containers is nepheline syenite but we in the United States do not have enough of this material to make them. With Table Mt. coming online RIA Mines can offer the output of our quarries to manufacture nuclear waste containers.

The Immobilisation Science Laboratory of the University of Sheffield (ISL) has 40 researchers working on making safe nuclear waste containers. They would like to use nepheline syenite but they feel none is available in great quantities. RIA Mines has been in close touch with Dr. Bill Lee who is Director of the ISL and is an expert himself in this area of nuclear waste containers.

RIA Applied Research Laboratory (RARL) is being established in Newport, Oregon to handle the above mentioned matter as well as several other projects of urgent concern. Dr. Bill Lee, Director of the ISL at the University of Sheffield, has agreed to join the research institutions that will be affiliated with RARL. The

RARL will apply for research funds from the US Dept. of Energy and other institutions for the funding of this critical applied research that will be done in Newport as well as other places. We have also been informed that the Russian Academy of Sciences is ready to be an affiliated institution of RARL. The Russians have 30 years experience in working with nepheline syenite mostly in military applications including protective shields for nuclear submarines and their nuclear power plants. They will also be brought into this important applied research. One or more American institutions shall also join in to undertake this important applied research.

RIA Nuclear Waste Containers Inc. (RNWC) shall be established in Newport. It shall be owned by RIA Mines Inc. (51%) and other partners who have a great deal experience in the making of nuclear waste containers. RIA Mines shall control this new company.

RNWC shall establish its manufacturing plant at the Port area in Newport, Oregon.

Once the prototypes are made and have passed the rigid tests established by the U. S. Nuclear Regulatory Commission, RNWC will approach the US Dept of Energy as well as the many current waste sites to market our safe and efficient product.

Marketing will also be undertaken in Europe and other places where the disposal of nuclear wastes are a problem and we can be part of the solution.

Initial Management of RIA Nuclear Waste Containers Inc. (RNWC)

RIA Mines is pleased to name a very distinguished engineer Roger Garramore to be the Chief Operating Officer and Executive Vice President of RNWC. Mr. Garramore has built nuclear power plants which were completed on budget and on time. He has an amazing breath of experience in nuclear energy as well as engineering and construction.

Marketing Targets

Since RIA Mines are informed that between 50,000 and 100,000 movements will be undertaken starting in 2010 that means RIA Mines should be able to obtain 5% to 10% of that market during the first five years of operation. RIA Mines' specific marketing target will be 5,000 containers or 1,000 per year for the first 5 years of supplying RIA's clients.

RIA Mines plans to become the premier nuclear waste container in the world. Once that happens, RIA Mines will have a market in any country that uses nuclear power.

These sales could begin as soon as we have approved nuclear waste containers ready for the marketplace.

Financials:

RIA Mines are informed that each container of about 8' by 6' by 6' would cost over US\$1 million. These must be fully safe and secure containers that would be sent from 126 currently-used nuclear waste sites across the United States to Yucca Mt. in Nevada.

With a target of 1,000 containers per year, that would be approximately US\$1 billion in gross revenues. There would be a very sufficient profit margin. It is unlikely that this profit margin would be not less than 50%.

Please Note: The revenue for the nuclear waste containers, which shall be very considerable, has not been calculated in the overall financials of this Feasibility Study. Within the coming months a special and separate Business Plan and Feasibility Study will be produced on this new subsidiary company.

Worth to RIA Mines Inc.

If we could assure a profit margin of 50% of gross revenues, then there would be a total profit before taxes of \$500 million per year. With RIA Mines being 51% owner of RNWC, the profit before taxes would be \$250 million. This would make RIA Mines a very valuable company just from this product alone.

7. The Management of RIA Mines Inc.

The Honorable Curtin Winsor, Jr. – Chairman of the Board is former American Ambassador to Costa Rica, former owner of a number of coal mines in West Virginia and chemical companies and now Chairman of the RIA Group.

H.E. Professor Dr. Ernst Florian Winter - Director Emeritus of the Austrian Diplomatic Academy in Vienna and numerous other high posts in Europe detailed in the management resumes. Dr. Winter is the Special Advisor to the Board as well.

Dr. Thomas B. Manton is President and CEO who has a long and distinguished record of leadership in international business and wide relationships throughout Asia and the Middle East. He is President and CEO of RIATRADE Development Inc. He has been CEO of a number of enterprises around the world for the last 30 years. He is a former professor of International Business at the University of Washington in Seattle and early in his career was with the United Nations and was the biographer of *U THANT: A POLITICAL BIOGRAPHY: The third Secretary General of the United Nations*.

Mr. Joe Y. C. Ho, CGA, MBA is the Executive Vice President of the company and will handle not only the finances of the company but also marketing in Asia. Mr. Ho has thirty years experience in the field of finance and international business. He is President and CEO of the MPS International Group.

Mr. John Fred Salitore - Senior Vice President for Sales and Marketing who has a long and distinguished career in marketing and operations around the world, including in India, China, Iran, the United States and most recently Iraq.

The Honorable Dr. Nikolay V. Mungalov is the Senior Vice President for Technology and the official Representative (Ambassador) of the Buryat Republic in Europe based in the Czech Republic. He was an official of the United Nations Industrial Development Organization in Vienna. He is Chairman of RIATRADE Development Inc. He is currently also Deputy Secretary General of the International Traffic Police and Road Transport Organization. He holds a doctorate of Economy in Foreign Trade.

Mr. Syed Salamah Ali Mahdi – is Senior Vice President for the Middle East and South Asia who has had a long career in marketing and operations of companies in both the Middle East and South Asia.

A world class mining expert has been identified and is in the process of being named. He would be named the general manager of mining.

8. The Financials associated with the above processes

RIA Mines Inc.
Table Mountain Operation
 Projected Statement of Cashflow
 Year 1- Year 5

	Year 1	Year 2	Year 3	Year 4	Year 5
	US\$	US\$	US\$	US\$	US\$
Cash In:					
Sales (Nepheline Syenite)	\$25,500,000	\$51,625,000	\$79,417,188	\$96,305,137	\$111,359,581
Loans	\$10,000,000	-\$2,500,000	-\$2,500,000	-\$2,500,000	-\$2,500,000
Total Cash In:	<u>\$35,500,000</u>	<u>\$49,125,000</u>	<u>\$76,917,188</u>	<u>\$93,805,137</u>	<u>\$108,859,581</u>
Cash Disbursements:					
Capital Investment (mining):					
Building - Plant	\$1,600,000	\$240,000	\$240,000	\$240,000	\$240,000
Mining Equipment	\$1,500,000	\$300,000	\$300,000	\$300,000	\$300,000
Office Equipment	\$150,000	\$30,000	\$30,000	\$30,000	\$30,000
Deposits	\$120,000				
Direct Production Cost (Nepheline Syenite)					
Mining	\$2,240,000	\$4,796,000	\$7,889,200	\$10,222,080	\$12,649,824
Truck to plant	\$1,960,000	\$4,196,500	\$6,903,050	\$8,944,320	\$11,068,596
Processing	\$2,800,000	\$5,995,000	\$5,995,000	\$6,594,500	\$7,253,950
Overhead and workers	\$2,520,000	\$5,395,500	\$5,935,050	\$6,528,555	\$7,181,411
Additional Cost for Other Products		\$120,000	\$240,000	\$360,000	\$480,000
Lease - Equipment					
Mining	\$700,000	\$770,000	\$847,000	\$931,700	\$1,024,870
Automobile	\$50,000	\$55,000	\$60,500	\$66,550	\$73,205
Office Equipment	\$30,000	\$33,000	\$36,300	\$39,930	\$43,923
Salaries & Wages:					
Administrative	\$750,000	\$900,000	\$1,080,000	\$1,296,000	\$1,555,200
Marketing	\$250,000	\$287,500	\$330,625	\$380,219	\$437,252
Fringe & Benefits	\$80,000	\$95,000	\$112,850	\$134,098	\$159,396
Royalties (1% of Gross Revenue)	\$255,000	\$516,250	\$794,172	\$963,051	\$1,113,596
Communications	\$120,000	\$132,000	\$145,200	\$159,720	\$175,692
Repair & Maintenance	\$300,000	\$330,000	\$363,000	\$399,300	\$439,230
Marketing Commissions	\$2,550,000	\$5,162,500	\$7,941,719	\$9,630,514	\$11,135,958
Marketing Expenses	\$1,275,000	\$2,581,250	\$3,970,859	\$4,815,257	\$5,567,979
Royalties	\$255,000	\$516,250	\$794,172	\$963,051	\$1,113,596
Interest Expense	\$1,200,000	\$900,000	\$600,000	\$300,000	
Professional Fees	\$100,000	\$50,000	\$55,000	\$60,500	\$66,550
Permit & Licences	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Insurance	\$120,000	\$132,000	\$145,200	\$159,720	\$175,692
Travel Expenses	\$175,000	\$192,500	\$211,750	\$232,925	\$256,218
Headquarters Expenses	\$200,000	\$220,000	\$242,000	\$266,200	\$292,820
Housing for Staff	\$120,000	\$132,000	\$145,200	\$159,720	\$175,692
Other Offices	\$200,000	\$220,000	\$242,000	\$266,200	\$292,820
Automobile Expenses	\$100,000	\$110,000	\$121,000	\$133,100	\$146,410
Miscellaneous	\$200,000	\$220,000	\$242,000	\$266,200	\$292,820
Total Cash Disbursement:	<u>\$21,970,000</u>	<u>\$34,678,250</u>	<u>\$46,062,847</u>	<u>\$54,893,409</u>	<u>\$63,792,698</u>
Cash In (Cash Out)	\$13,530,000	\$14,446,750	\$30,854,341	\$38,911,727	\$45,066,883
Cash In Hand - Beginning		<u>\$13,530,000</u>	<u>\$27,976,750</u>	<u>\$58,831,091</u>	<u>\$97,742,818</u>
Cash In Hand - Ending	<u>\$13,530,000</u>	<u>\$27,976,750</u>	<u>\$58,831,091</u>	<u>\$97,742,818</u>	<u>\$142,809,701</u>

* Tax & interest revenue are not included in projection

RIA Mines Inc.
Table Mountain Operation
Projected Statement of Profit & Loss
Year 1- Year 5

	Year 1	Year 2	Year 3	Year 4	Year 5
	US\$	US\$	US\$	US\$	US\$
Revenue					
Sales (Nepheline Syenite)	\$25,500,000	\$51,625,000	\$79,417,188	\$96,305,137	\$111,359,581
Total Revenue:	\$25,500,000	\$51,625,000	\$79,417,188	\$96,305,137	\$111,359,581
Expenses					
Direct Production Cost:					
Mining	\$2,240,000	\$4,796,000	\$7,889,200	\$10,222,080	\$12,649,824
Truck to plant	\$1,960,000	\$4,196,500	\$6,903,050	\$8,944,320	\$11,068,596
Processing	\$2,800,000	\$5,995,000	\$5,995,000	\$6,594,500	\$7,253,950
Overhead and workers	\$2,520,000	\$5,395,500	\$5,935,050	\$6,528,555	\$7,181,411
Additional Cost for Other Products		\$120,000	\$240,000	\$360,000	\$480,000
Lease - Equipment					
Mining	\$700,000	\$770,000	\$847,000	\$931,700	\$1,024,870
Automobile	\$50,000	\$55,000	\$60,500	\$66,550	\$73,205
Office Equipment	\$30,000	\$33,000	\$36,300	\$39,930	\$43,923
Salaries & Wages:					
Administrative	\$750,000	\$900,000	\$1,080,000	\$1,296,000	\$1,555,200
Marketing	\$250,000	\$287,500	\$330,625	\$380,219	\$437,252
Fringe & Benefits	\$80,000	\$95,000	\$112,850	\$134,098	\$159,396
Royalties (1% of Gross Revenue)	\$255,000	\$516,250	\$794,172	\$963,051	\$1,113,596
Communications	\$120,000	\$132,000	\$145,200	\$159,720	\$175,692
Repair & Maintenance	\$300,000	\$330,000	\$363,000	\$399,300	\$439,230
Marketing Commissions	\$2,550,000	\$5,162,500	\$7,941,719	\$9,630,514	\$11,135,958
Marketing Expenses	\$1,275,000	\$2,581,250	\$3,970,859	\$4,815,257	\$5,567,979
Royalties	\$255,000	\$516,250	\$794,172	\$963,051	\$1,113,596
Interest Expense	\$1,200,000	\$900,000	\$600,000	\$300,000	
Professional Fees	\$100,000	\$50,000	\$55,000	\$60,500	\$66,550
Permit & Licences	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Insurance	\$120,000	\$132,000	\$145,200	\$159,720	\$175,692
Travel Expenses	\$175,000	\$192,500	\$211,750	\$232,925	\$256,218
Headquarters Expenses	\$200,000	\$220,000	\$242,000	\$266,200	\$292,820
Housing for Staff	\$120,000	\$132,000	\$145,200	\$159,720	\$175,692
Other Offices	\$200,000	\$220,000	\$242,000	\$266,200	\$292,820
Automobile Expenses	\$100,000	\$110,000	\$121,000	\$133,100	\$146,410
Miscellaneous	\$200,000	\$220,000	\$242,000	\$266,200	\$292,820
Depreciation - Plant	\$160,000	\$184,000	\$208,000	\$232,000	\$256,000
Depreciation - Equipment	\$330,000	\$396,000	\$462,000	\$528,000	\$594,000
Total Expenses:	\$19,090,000	\$34,688,250	\$46,162,847	\$55,083,409	\$64,072,698
Total Profit (Loss)	\$6,410,000	\$16,936,750	\$33,254,341	\$41,221,727	\$47,286,883

* Tax & interest revenue are not included in projection

Assumptions - Sales

	Nepheline Syenite Material				
	Year 1	Year 2	Year 3	Year 4	Year 5
Nepheline Syenite Sold (in tons)	250,000	500,000	750,000	875,000	975,000
Average price per ton (US\$)	\$90.00	\$92.25	\$94.56	\$96.92	\$99.34
Sales (US\$):	\$22,500,000	\$46,125,000	\$70,917,188	\$84,805,137	\$96,859,581
Roof & stone material sold (in tons)	30,000	45,000	65,000	85,000	105,000
Average price per ton (US\$)	\$100	\$100	\$100	\$100	\$100
Sales (US\$):	\$3,000,000	\$4,500,000	\$6,500,000	\$8,500,000	\$10,500,000
Total Tonnage:	280,000	545,000	815,000	960,000	1,080,000
Other Products Sales (US\$) * :		\$1,000,000	\$2,000,000	\$3,000,000	\$4,000,000
Total Sales:	\$25,500,000	\$51,625,000	\$79,417,188	\$96,305,137	\$111,359,581

* Other Products Sales does not include new material sales.

Assumptions - Expenses & Other

(All \$ are US\$)

	<u>Year 1</u>			
Cash In:				
Loans	\$10,000,000	<u>Loan Repayment</u>		
		25% Second Year		
		25% Third Year		
		25% Fourth Year		
		25% Fifth Year		
Cash Disbursements:				
<u>Year 1</u>				
Capital Investment (Mine):				
Building - Plant	\$1,600,000	Annual additions	15%	
Mining Equipment	\$1,500,000	Annual additions	20%	
Office Equipment	\$150,000	Annual additions	20%	
Royalties	1%	of Gross Revenue		
Deposits	\$120,000			
Direct Production Cost (Nepheline Syenite):				
Mining	\$8	per ton	Annual increase	10%
Truck to plant	\$7	per ton	Annual increase	10%
Processing	\$10	per ton	Annual increase	10%
Overhead and workers	\$9	per ton	Annual increase	10%
Additional Cost for Other Products	12%	of Other Products Sales		
Lease - Equipment				
Mining	\$700,000	Annual increase	10%	
Automobiles	\$50,000	Annual increase	10%	
Office Equipment	\$30,000	Annual increase	10%	
Salaries & Wages:				
Administrative	\$750,000	Annual increase	20%	
Marketing	\$250,000	Annual increase	15%	
Fringe & Benefits	8%	of Salaries & Wages		
Communications	\$120,000	Annual increase	10%	
Repair & Maintenance	\$300,000	Annual increase	10%	
Marketing Commissions	10%	of gross sales		
Marketing Expenses	5%	of gross sales		
Royalties	1%	of gross sales		
Interest Expense	12%	on outstanding loans		
Permits & Licences	\$50,000			
Professional Fees	\$100,000	<u>2nd Year</u>	Annual increase	10%
		\$50,000		
Insurance	\$120,000	Annual increase	10%	
Travel Expenses	\$175,000	Annual increase	10%	
Headquarters Expenses	\$200,000	Annual increase	10%	
Housing for Staff	\$120,000	Annual increase	10%	
Other Offices	\$200,000	Annual increase	10%	
Automobile Expenses	\$100,000	Annual increase	10%	
Miscellaneous	\$200,000	Annual increase	10%	
Depreciation -Equipment	20%	per year		
Depreciation - Plant (Building)	10%	per year		

9. Some information on the persons involved in this Feasibility Study

A number of persons have participated in this Feasibility Study. The professions and resumes of several of these participants are self-explanatory and therefore are not mentioned in this short summary.

Dr. Cyrus W. Field, Professor and Chairman Emeritus, Dept. of Geosciences, Oregon States University, Corvallis, Oregon. Dr. Field has been involved in a number of mining companies both in the United States and around the world. He is considered one of the world's experts in mining and geology.

Mr. Dennis Reno, Founder and former President and CEO of Kasper-Hall Corp. Mr. Reno is a graduate in engineering from the University of Arizona and has been in engineer most of this life. In 1983 he founded Kasper-Hall Corp. which he owned and operated as President and C.E.O. This Engineering and Construction business was primarily focusing on mining and industrial facilities such as waste water treatment plants. During this period he started and operated several spin off companies, which complemented each other with offices in three States. He started this company and it grew to several hundred employees during his tenure. In 1995 he sold the company. Since then he had been doing engineering consulting and airport management.

Mr. Don Mann, General Manager, Port of Newport, Newport, Oregon. RIA Mines has been working very closely with Mr. Mann and his colleagues in the Port Commission.

Mr. Fred Postlewait, President and CEO, Oregon State Bank, Newport, Oregon. Mr. Postlewait is a very well respected citizen of Newport and the only locally-owned bank in the city of Newport.

Mr. Gregory B. Malarkey, Senior Vice President for Sales and Marketing, Malarkey Roofing Products, Portland, Oregon. Malarkey is a decision maker in the Malarkey Roofing Products Company which is owned by his uncle.

Mr. Orlando Cavedoni, President of Minerali Ceramici. Mr. Cavedoni has been given the exclusive representation of the products of RIA Mines in western Europe and the Mediterranean area.

Mr. Hiroshi S. Ohashi, former Vice President, GE of Japan. Mr. Ohashi has been given by RIA Mines the exclusive representation of RIA Mines in Japan for the marketing of their products.

Mr. Joe Ho, President and CEO, MPS International Marketing Ltd., Richmond, British Columbia, Canada and he is Executive Vice President of RIA Mines, Inc.

Dr. Thomas B. Manton, President and CEO, RIA Mines Inc., Newport, Oregon.

10. Summary and Conclusions

RIA Mines is already starting to market their product within the States of Oregon and Washington. Soon some Conditional Sales Agreements will be signed – maybe as early as the first week of March 2006.

From one Conditional Sales Agreements with Malarkey in Portland, there is a strong possibility that RIA Mines will obtain up to three other such Agreements – one in Portland and one in Tacoma, Washington. Those four agreements could make a total sales commitment of 200,000 tons of nepheline syenite sold each year during the first five years of RIA Mines. With no other business, all loans and other borrowings could be very easily paid off during that time with a great deal of cash to build the company as well as pay the shareholders handsomely.

The above does not include any other market to which RIA Mines has the possibility of selling into. The market chapter in the Business Plan has detailed many other uses for nepheline syenite. Ceramics and glass are just two of the many well-known products for which nepheline syenite is preferably to use.

There is a large market in Europe for which RIA Mines' nepheline syenite can be used.

RIA Mines is pursuing the markets which are immediately available and then expanding its marketing reach around the world.

Simultaneously, RIA Mines will be working on other applications for the use of nepheline syenite in many fields.

Immediately RIA Mines will be setting up a company to manufacture nuclear waste containers. We will be getting the technology from the Russian Academy of Sciences. We will then be developing it with the specifications that will meet the already set standards of the U.S. Nuclear Regulatory Commission to seek the certification from them to be used in the world's largest market place the United States. Once those containers are being sold, RIA Mines estimates that the sales figures for this new company – RIA Nuclear Waste Container Company - will be over US\$1 BILLION.

RIA Mines has shown this to be a very fine business opportunity.