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Business Plan Highlights:

- *Premier operator of world-class ferrous and non-ferrous metal shredder*
- *Exploits global surge in steel production and reliance on metal recycling*
- *Targets aggregate world markets of $182B, driven by high growth rates*
- *Led by industry veterans and seasoned entrepreneurs, with top advisors*

APEX RECYCLING

Operator Of World-Class Metal Shredding Facility
Situated in Tijuana, Mexico

Seeks Investor Contributions
In The Amount Of

$12,000,000

April 1, 2006

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Apex Recycling, S. de R.L. de C.V.
Contact: Gregory Chapman
Apex Metals, LLC
13200 Laguna Drive, La Jolla, CA 92092
Phone: (866) 634-6767 • E-Mail: greg@apexmetals.com

Executive Summary

Global demand for steel production has reached a 20-year high, propelled by the phenomenal industrial expansion of China. The preferred feedstock for steel production is recycled shredded steel scrap, because it mitigates environmental damage and offers energy savings of 74%, when compared to primary iron ore mining. As the operator of a world-class metal shredder, situated along the Mexico-California border, Apex Recycling will be the preeminent source of shredded steel scrap and a host of high-value, non-ferrous metal commodities, for vital West Coast markets and booming economies in Asia. This location is proximate to abundant raw material sources, within easy trucking distance of Mexican and U.S. ports, and at least 200 miles from the nearest competitive shredding operation. In 2007, when the company's metal shredder installation is completed, the world market for shredded steel scrap is projected to reach $128 billion, driven by annual growth of 8.3% — the comparable market for key non-ferrous metal commodities is projected to be $54 billion, with expected growth of 5.2%. Keys to success include establishing commercial capacity, optimizing operating processes, effectively marketing company offerings, and promoting robust research and development of new products and markets. The company will be led by industry veterans and seasoned entrepreneurs, who will be supported by top professional advisors.

Company. Apex Recycling, S. de R.L. de C.V., will be the newest and largest metal shredder operator, along the Mexico-California border, utilizing abundant sources of recyclable metal to produce high-demand ferrous and non-ferrous metals, for sale in world commodity markets, including North America and Asia.

Products. The company will operate a world-class metal shredder, capable of producing recycled shredded steel scrap, which is the global raw material of choice for steel production, along with a wide variety of high-value. non-ferrous metal commodities, including aluminum, copper, nickel, zinc, tin, manganese, and lead.

Market. Apex will rely on multiple sources of feedstock for its shredding operations, including scrap metal from local peddlers, automobile hulks from junkyards, industrial scrap from metal recyclers, U.S.-based metals made available through Maquiladoras, and impounded autos, from Tijuana and other local municipalities.

Industry. Competition for recyclable metals includes local peddlers, auto junkyards and metal recyclers, all of which can be converted to direct suppliers, through pricing strategies and relationship-building. Only a few metal shredder operators exist on the West Coast, and all are disadvantaged in one fashion or another.

Strategy. Strategies for success include: establishing commercial capacity, by acquiring targeted land and completing pre-operating tasks, by January 1, 2007; optimizing operating processes to maximize profitability and customer satisfaction; marketing company offerings; and promoting robust research and development.

Implementation. The operating plan focuses on completing the land and shredder acquisitions, finalizing infrastructural development, and establishing an industry benchmark for operating excellence. The marketing plan relies on multi-channel advertising, broker contracts, and extensive networking to generate sales.

Management. The company will be managed by two industry veterans, with decades of relevant experience in metal shredding, steel production, and large facility maintenance. This management team will be directly supported by a highly seasoned Board of Directors, top professional advisors, and qualified staff.

Risk Assessment. Apex Recycling is poised to exploit the worldwide demand that exists for recycled ferrous and non-ferrous metals that can be produced in an environmentally-sensitive and energy-efficient manner. Key success factors and critical risk factors have been fully evaluated — success is highly achievable.

Financial Summary

Apex Recycling, S. de R.L. de C.V. is seeking investor contributions, totaling $12,000,000, by April 1, 2006. This cash infusion would result in dramatic revenue and income growth over a five-year period and position the company for U.S. and global expansion of its metal shredding operations.

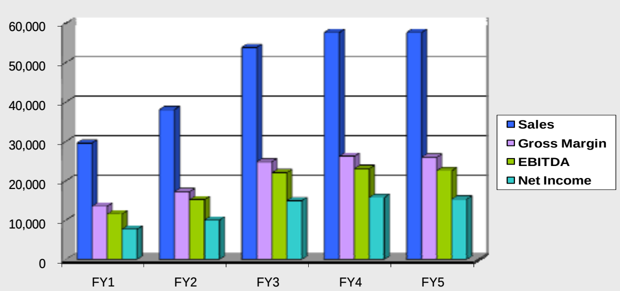
Capitalization Plan. Apex Recycling proposes to pursue its strategic objectives, by securing investor contributions, totaling $12,000,000, by April 1, 2006. These funds will be applied to working capital requirements, including inventory, deposits and G&A expenses, totaling $1.5 million, plus capital expenditure needs, including pre-operating expenditures and PP&E, totaling $7.6 million, and to create reserves of $2.9 million.

Projected Operating Results. Sales are projected to increase, from $29.6 million in FY1, to $57.6 million in FY5. Net income is projected to increase, from $7.7 million in FY1, to $15.3 million in FY5. Net income, as a percentage of sales, ranges from 26% to 28%; return on total investment ranges, from 52% to 102%. A minimum cash balance of $2.9 million occurs Month 2, FY1; ending FY3 cash balance reaches $65.8 million.

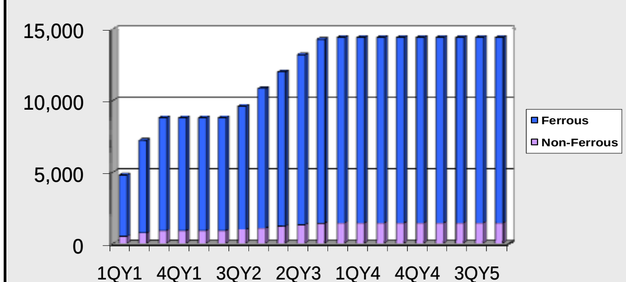
Projected Operating Highlights ($000)

Start-Up: 1/1/07	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY1	FY2	FY3	FY4	FY5
Sales	1,333	1,600	1,867	2,133	2,400	2,667	2,933	2,933	2,933	2,933	2,933	2,933	29,598	37,998	53,867	57,600	57,600
Gross Margin	586	713	838	964	1,090	1,216	1,342	1,342	1,341	1,342	1,342	1,341	13,457	17,255	24,766	26,170	25,900
Operating Expenses	145	143	147	158	161	161	172	170	172	170	172	169	1,940	2,143	2,753	3,135	3,392
EBITDA	441	570	691	806	929	1,055	1,170	1,172	1,169	1,172	1,170	1,172	11,517	15,112	22,013	23,035	22,508
Income Before Taxes	398	527	648	763	886	1,012	1,127	1,129	1,126	1,129	1,127	1,130	11,002	14,287	21,278	22,374	21,795
Net Income	279	369	454	534	620	708	789	790	788	790	789	791	7,701	10,001	14,895	15,661	15,257
Percentages:																	
Gross Margin/Sales	44%	45%	45%	45%	45%	46%	46%	46%	46%	46%	46%	46%	45%	45%	46%	45%	45%
EBITDA/Sales	33%	36%	37%	38%	39%	40%	40%	40%	40%	40%	40%	40%	39%	40%	41%	40%	39%
Net Income/Sales	21%	23%	24%	25%	26%	27%	27%	27%	27%	27%	27%	27%	26%	26%	28%	27%	26%
Return On Investment													52%	67%	100%	105%	102%
Net Cash Flow	(1,192)	264	172	247	339	422	507	653	832	832	833	831	4,740	9,915	14,406	16,635	15,966
Cash Balance - Ending	2,910	3,174	3,346	3,593	3,932	4,354	4,861	5,514	6,346	7,178	8,011	8,842	8,842	18,757	33,163	49,798	65,764

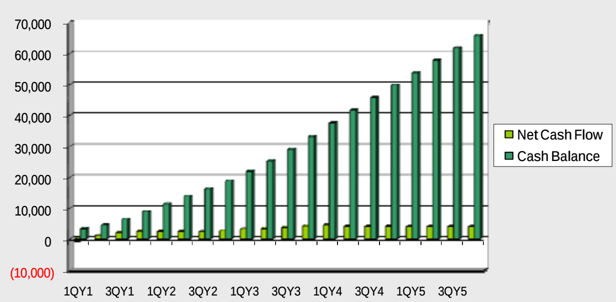
Projected Operating Highlights By Year ($000)



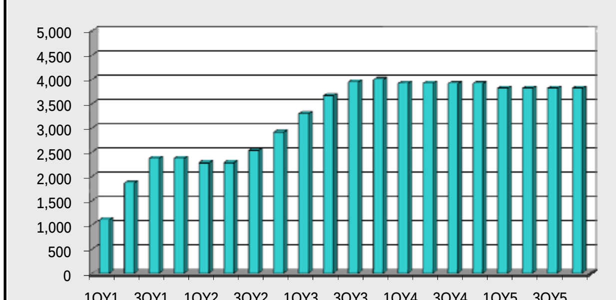
Projected Sales By Quarter ($000)
All Fiscal Years



Projected Cash Flow By Quarter ($000)
All Fiscal Years



Projected Net Income By Quarter ($000)
All Fiscal Years



Company

Apex Recycling, S. de R.L. de C.V., will be the largest metal shredder operator, along the Mexico-California border, utilizing abundant sources of recyclable metal to produce ferrous and non-ferrous metal products for sale in world commodity markets, including North America and Asia.

Mission-Vision. The company's five-year mission is to become the preeminent metal shredding operator on the Mexico-U.S. border, cannibalizing readily available sources of used scrap metal to produce large quantities of recycled ferrous and non-ferrous metals, for sale in expanding global commodity markets. Apex Recycling will leverage large economies of scale, technological superiority, and geographical exclusivity to position itself as the region's largest producer of shredded steel scrap, which is heavily relied upon in steel production, plus a host of high-demand, non-ferrous metals, including aluminum, copper, tin, nickel and magnesium. The company's long-term vision is to establish an extensive network of raw material accumulation points and to leverage its inaugural success in Baja California, by expanding to other regions of Mexico.

Business Opportunity. In 2005, worldwide demand for steel surged by 10%, driven by the industrial growth of China, now booming at 18%, annually.[1] Globally, the preferred feedstock for steel production is recycled shredded steel scrap, because its production mitigates environmental damage and offers energy savings of 74%, when compared to primary iron ore mining.[2] Apex Recycling will establish itself as a major provider of shredded steel scrap for vital North American markets and as a dependable source, for trans-shipment to Asia, by operating one of the world's largest and most technologically refined metal shredders, near Tijuana, Mexico. This location is proximate to a host of private and public sector raw material sources, within easy trucking distance of Mexican and U.S. ports, and at least 200 miles from the nearest shredding operation that could be viewed as competitive. In 2007, when the company's metal shredder installation is completed, the world market for ferrous metals scrap is projected to be $128 billion, a figure anticipated to reach $204 billion, by 2011, reflecting annual growth of 8.3%.[3] In addition, Apex Recycling will be capable of producing a variety of downstream, non-ferrous recyclables — in 2007, the global market for these metal commodities is projected to be $54 billion, with anticipated annual growth of 5.2%.[4] Keys to success include establishing commercial capacity, optimizing operating processes, effectively marketing company offerings, and promoting robust research and development of new products and expanded markets. To achieve these strategic objectives, Apex Recycling is seeking investor contributions, totaling $12,000,000, by April 1, 2006.

Legal Entity and Ownership. The company is established as Apex Recycling, S. de RL. de C.V., a Mexican limited liability corporation, doing business as Apex Recycling. The company is owned by Apex Metals, LLC, a U.S. limited liability company, and its highest ranking officer, in respective ownership percentages of 99.9% and 0.1%. General management of daily operations will be assumed by highly qualified Mexican nationals.

History. A joint U.S.-Mexican team of experts has undertaken substantial preliminary activities, including feasibility evaluations, strategic planning, commodity pricing and marketing studies, site identification surveys, and early development of private and public sector supply chain alliances. Negotiations for the manufacturing and installation of a world-class Metso Texas metal shredder system have been finalized, with an official order and initial down payment scheduled for March 2006.

Location and Facilities. The company has identified prime industrial land, with good access to transportation and electrical power sources, within the Tijuana metropolitan area, which will be secured, once funding is assured. Future transfer stations that facilitate raw material accumulation are also contemplated.

Financial History

Inception To Business Plan Start-Up

	Actual 2005	Forecasted 03/31/06
ASSETS:		
Cash		
Property, Plant & Equipment		2,800,000
Deferred Charges	22,700	96,600
Total Assets	22,700	2,896,600
LIABILITIES:		
Short-Term Notes Payable		
Long-Term Notes Payable		
Total Liabilities	0	0
EQUITY:		
Paid-In Capital	22,700	2,896,600
Retained Earnings		
Total Equity	22,700	2,896,600
Total Liabilities & Equity	22,700	2,896,600

The company will operate a world-class metal shredder, capable of producing recycled shredded steel scrap, which is the global raw material of choice for steel production, along with a variety of high-value non-ferrous metal commodities, including aluminum, copper, nickel, zinc, tin, and lead.

Ferrous and Non-Ferrous Metal Shredding

Business Summary. Apex Recycling, S. de R.L. de C.V., will be the largest metal shredding operator, along the Mexico-California border, producing recycled ferrous and non-ferrous metals, for sale in world commodity markets. The company will boast one of the most advanced metal shredder systems in the industry — this ferrous and non-ferrous recycling facility can utilize readily available sources of raw material, including junked or abandoned automobiles, iron and steel scrap, or discarded appliances to produce large tonnages of shredded steel scrap, a precursor to steel production, plus other high-value, non-ferrous metals, such as aluminum, copper, tin, nickel or magnesium. Revenue streams will derive from sales of metal commodities to brokers or direct consumers, in North America, Asia, and South America.

metso Texas Shredder

WORLD-CLASS METAL SHREDDING OPERATION

January 1, 2007

Following targeted land acquisition and nine months of pre-operating activities, including infrastructural development and installation of a state-of-the-industry metal shredder system, Apex Recycling will commence operations.

- ***Shredder Facility**:* The operating centerpiece will be a Metso Texas 98/104 Ferrous Metal Shredder, with a downstream, Non-Ferrous System.
- ***Site Infrastructure**:* Pre-operating tasks include completion of site development, equipment acquisition, raw material sourcing, and staff training.

RECYCLABLE COMMODITIES

High-value metal commodities will be recycled from raw material sources, such as junked automobiles, iron and steel scrap, and discarded appliances.

- ***Ferrous Metals**:* 75% of source materials, by weight, will yield shredded steel scrap.
- ***Non-Ferrous Metals**:* 2% of source inputs will yield valuable, non-ferrous commodities.

AVG. UNIT REVENUE	
Ferrous:	$240/Ton
Non-Ferrous:	$1,000/Ton

SUPPLY CHAIN PARTICIPANTS

Multiple sources of raw materials will provide feedstock for the recycling process, yielding commercially salable metal commodities for world markets.

- ***Suppliers**:* Sources of raw materials will include local peddlers, auto junkyards, metal recyclers, Maquiladora participants, and local municipalities.
- ***Customers**:* 85% of produced commodities will be sold to commodity brokers, with the residual sold directly to steel mills and other end consumers.

Competitive Comparison. Apex Recycling will enjoy a host of competitive advantages, including sheer economies of scale, technological superiority, geographical exclusivity, capacity to produce a range of commodities, recycling energy efficiency, minimal environmental impact, and trucking proximity to major ports.

Future Development. The company plans to enlarge its raw material sources, by establishing a series of transfer stations that will become an inclusive network of accumulation points for used metal. Inaugural success in Baja California will be followed by the introduction of shredder facilities to other regions of Mexico.

Metal Shredding

Apex will rely on multiple sources of feedstock for its shredding operations, including scrap metal from local peddlers, automobile hulks from junkyards, industrial scrap from metal recyclers, U.S.-based metals made available through Maquiladoras, and impounded autos, from municipalities.

WORLD-CLASS METAL SHREDDER — Main Facility and Site Infrastructure

Apex Recycling has secured prime industrial land, near metropolitan Tijuana, with good access to transportation and power sources, upon which a world-class ferrous and non-ferrous metal shredder facility will be constructed. The highly acclaimed vendor, Metso, accounts for over 30% of the estimated 700 large shredders operating in the world.[5] During a 9-month pre-operating period, in which the shredder facility will be manufactured, assembled, and tested, other infrastructural activities will occur, including site preparation, raw material accumulation, acquisition or lease of large and small ancillary equipment, field site training, and completion of any other tasks, necessary to commence operations, by January 1, 2007.

SMALL PRIVATE SECTOR SUPPLIERS — Peddlers and Automobile Junkyards

The company will cultivate the local cottage industry of scrap metal peddlers that exists, offering premium prices and logistical convenience. Strategic supply alliances with dozens of automobile junkyards that populate both sides of the border will be forged, assuring a dependable stream of metal hulks that can be recycled.

LARGE PRIVATE SECTOR SUPPLIERS — Metal Recyclers and Maquiladoras

Metal recyclers will be lured into selling industrial scrap to Apex, drawn by high prices and low logistical costs, relative to more distant competitors. Association with Maquiladoras, foreign entities that enjoy customs and tax advantages, will permit economic U.S. sourcing of raw materials and reverse sales of commodities.

PUBLIC SECTOR SUPPLIERS — Publicly Abandoned and Impounded Vehicles

Metropolitan Tijuana impounds an estimated 650 to 700 abandoned vehicles per month to improve public aesthetics, but a 7-year statute of limitations has resulted in massive overcrowding and misuse of scarce municipal land resources.[6] Apex will own a concession that permits economic disposal, without incurring liability.

TRANSPORTATIONS SYSTEMS — Trucking and Shipping To World Markets

The selected site offers good highway access, which will permit easy trucking to land destinations in a wide radius. Plus, proximate access to ports in Long Beach, CA, and Ensenada, Mexico, will assure the company's ability to serve global commodity markets, particularly emerging industrial behemoths, like China and India.

Geographical Exclusivity. The nearest competitive shredder operation is in Mexicali, about 100 miles to the east, but this facility only recycles ferrous products for its private needs. Apex will forge dependable supply relationships with peddlers, auto junkyards, recyclers, Maquiladoras and municipalities, by paying premium prices for raw materials and by offering a geographically proximate buyer at reduced logistical cost.

Accumulation Centers. The company plans to extend the reach of its raw material sourcing, by establishing strategically positioned transfers stations for the economic accumulation of auto hulks, scrap metal, and large appliances. Close associations with Maquiladoras will figure prominently, permitting duty-free import of raw materials, from cross-border sources, for cost-effective recycling and quick re-export to point of origin.

The company will rely on commodity brokers to find global buyers for an estimated 85% of its products, but will also sell directly to a variety of metal-consumptive industries. Global demand for recycling is high, because it is far less expensive than ore mining and yields huge energy savings.

FLUID GLOBAL MARKETS — Commodity Brokers and Large Direct Consumers

Highly efficient markets for shredded steel scrap and a long list of non-ferrous metal commodities are facilitated by commodity brokers, who execute daily transactions on major commodities exchanges in New York, London, Tokyo, and other bellwether markets, around the world. Apex Recycling plans to sell about 85% of its metal commodities production, through advance contracts with such brokers. The remaining 15% will be sold directly to end users — this might include steelworks, mini-mills, or foundries that may be seeking economic sources of recycled steel, or alternatively, a host of manufacturing industries, including electronics, defense, durable goods, packaging, or other consumptive uses of non-ferrous metals.

FERROUS METAL SCRAP — Key Raw Material For World Steel Production

Global demand for steel production is at a 20-year zenith, driven largely by the explosive industrial growth of China. Worldwide adoption of recycled steel, as the raw material of choice for new steel production has occurred, because relative to iron ore mining, recycling conserves energy, landfill space, and natural resources.

NON-FERROUS METALS — Finite Natural Resources With Expanding Utility

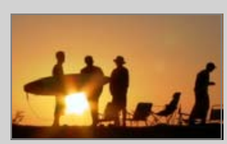
Expanding growth in metal applications, coupled with the finite nature of non-ferrous metals has guaranteed continued global demand for their reuse, as evidenced by the recycling rates for key non-precious metals: aluminum (30%), copper (40%), lead (55%), manganese (53%), nickel (25%), tin (25%) and zinc (30%).[7]

GLOBAL DEMAND DRIVER NO. 1 — Recycling Cheaper Than Primary Production

Secondary recovery of metals, relative to primary production, is much less expensive, because large energy savings are achieved — examples include shredded steel (74%) , aluminum (95%), and copper (85%).[8] In the U.S, the annual energy saved, through steel recycling, equates to lighting 18 million homes for a full year.[9]

GLOBAL DEMAND DRIVER NO. 2 — Recycling Mitigates Environmental Damage

Escalating global sensitivity to environmentally damaging industrial waste streams, plus the latent problems created by landfills, has created compelling arguments for reliance on secondary recovery of metals, rather than primary production, because metal recycling is environmentally non-intrusive and mitigates the use of landfills.



Competitive Comparison.[10] About 700 large metal shredders exist, worldwide, with an estimated 200 operating in the U.S. The nearest Mexican operator that produces recyclable metals, for other than private use, is about 200 miles from Tijuana — only six U.S. competitors operate in California, including three in the L.A. area. With easy access to West Coast ports, Apex Recycling will be well positioned to serve Asian markets.

High-Trajectory Potential. The company plans to leverage its inaugural success in Baja California, by expanding its shredder operations to other regions of Mexico. Moreover, as emerging economies strain to meet the industrial requirements associated with rapid growth, Apex Recycling will be vigilant for opportunities to export its metal shredding and recycling expertise to key markets in Asia, India, and South America.

Market

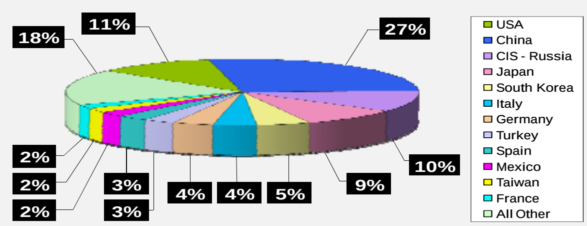
Due to the rapid industrial ascendancy of China, global steel production growth is at a 20-year high. Projected 2007 demand for shredded steel scrap is $128 billion, a figure that will grow annually, by 8.3% — demand for key ferrous metals will be $54 billion, driven by 5.2% annual growth.

General Analysis.[11] In 2005, global steel production surged by 10% to 1.1 billion metric tons, due to the inordinate influence that China's massive industrial growth is exerting on world capacity. Both the current growth rate of steel production and the 5-year rate, averaging 5.7%, far exceed the 50-year trend line of 2%. Because of its key role in steel production, the consumptive demand for shredded steel scrap has also dramatically risen — in 2003, world demand reached 406 million metric tons, with 79 million tons, or 19%, coming from imports. Leading importers of shredded steel scrap included China, Korea, and other Asian countries, with imports totaling 26.3 million tons, along with NAFTA participants, which imported 6.4 million tons.

Market Segmentation and Target Market Needs. Apex Recycling will target global commodity markets for shredded steel scrap, as well as the similarly fluid worldwide markets for non-ferrous recycled metals.

Shredded Steel Scrap Market - By Country. In 2003, worldwide consumption of shredded steel scrap totaled 406 million metric tons, including: Asia (36%), European Union (22%), NAFTA (19%), CIS-Russia (12%), and All Other (4%).[12] Applying prevailing commodity prices and extrapolating, by forecasted growth, suggests that in 2007, the global market for shredded steel scrap will be $128.2 billion — by 2011, this figure will reach $203.7 billion, reflecting annual growth of 8.3%. By consuming country, this market includes: **China** (27%), **United States** (11%), **Russia** (10%), **Japan** (9%), **South Korea** (5%), **Italy** (4%), **Germany** (4%), **Turkey** (3%), **Spain** (3%), **Mexico** (2%), **Taiwan** (2%), **France** (2%) and **All Other** (18%).[13]

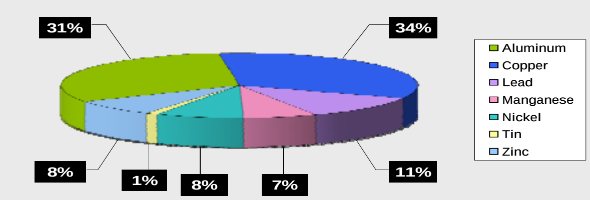
Shredded Steel Scrap Market - By Consuming Country



Consuming Country	Shredded Steel Scrap Market ($Million) - Worldwide, By Consuming Country					Annual Growth
	2007	2008	2009	2010	2011	
USA	13,900	14,000	14,100	14,200	14,300	0.8%
China	35,200	46,000	60,100	78,500	102,500	30.6%
CIS - Russia	13,300	13,900	14,500	15,100	15,800	4.5%
Japan	11,500	11,700	11,900	12,100	12,300	1.5%
South Korea	6,300	6,500	6,700	6,900	7,100	3.4%
Italy	5,100	5,200	5,300	5,400	5,500	1.0%
Germany	4,800	4,800	4,800	4,800	4,800	1.0%
Turkey	3,700	3,700	3,700	3,700	3,700	1.2%
Spain	3,600	3,600	3,600	3,600	3,600	1.0%
Mexico	3,100	3,200	3,300	3,400	3,500	2.7%
Taiwan	2,800	2,900	3,000	3,100	3,200	3.4%
France	2,600	2,600	2,600	2,600	2,600	1.0%
All Other	22,300	22,900	23,500	24,100	24,800	2.7%
Total	128,200	141,000	157,100	177,500	203,700	8.3%

Non-Ferrous Recycled Metals Market. Utilizing various vintages of base year data for seven selected, non-precious, non-ferrous metals identified aggregate worldwide consumption, totaling 22.9 million metric tons.[14] Applying five-year forecasts of commodity prices, and extrapolating by forecasted growth rates, commencing from the base year, suggests that in 2007, worldwide demand for the selected grouping of metals will be $54.0 billion — by 2011, this figure will reach $66.0 billion, reflecting average annual growth of 5.2%. This defined market of seven selected metals includes: **Copper** (34%), **Aluminum** (31%), **Lead** (11%), **Nickel** (8%), **Zinc** (8%), **Manganese** (7%), and **Tin** (1%). Additional smaller markets exist, for numerous other highly valuable, non-ferrous metals.[15]

Non-Ferrous Recycled Metals Market - Worldwide



Selected Commodity	Non-Ferrous Recycled Metals Market ($Millions) - Worldwide, By Commodity					Annual Growth
	2007	2008	2009	2010	2011	
Aluminum	17,000	18,000	19,100	20,300	21,500	6.1%
Copper	18,000	18,800	19,700	20,600	21,600	4.7%
Lead	6,200	6,400	6,600	6,800	7,000	3.0%
Manganese	3,600	3,900	4,200	4,500	4,900	8.0%
Nickel	4,300	4,500	4,700	5,000	5,300	5.5%
Tin	600	600	600	600	600	6.1%
Zinc	4,300	4,500	4,700	4,900	5,100	4.1%
Total	54,000	56,700	59,600	62,700	66,000	5.2%

Market Growth and Trends. In the near future, production processes and waste disposal methods that involve costs to finite natural resources, greater than zero, will be globally unacceptable. Secondary production of metal commodities, through recycling, not only conserves energy costs, but is environmentally noninvasive. Visionaries that can harness the global demand for these solutions will be lucrative beneficiaries.

Competition for recyclable metals includes local peddlers, auto junkyards and metal recyclers, all of which can be converted to Apex suppliers, through pricing strategies and relationship-building. Only a few metal shredder operators exist, and all are disadvantaged, by one limitation or another.

General Characteristics. A key determinant of metal shredder operating success is a long-term, dependable supply of raw material sources. Several participants in the supply chain compete for distinguishable categories of recyclable metals, including local peddlers, auto junkyards, metal recyclers, and metal shredder operators — in all cases, but the latter, these sources of raw material supply can be converted to suppliers of Apex Recycling, through savvy pricing policies and strategic alliancing. Existing competition for consumers is limited to two Mexican shredder operators that are either privately dedicated or geographically remote, and a handful of West Coast U.S. operators that are subject to expensive U.S. environmental rules.

Environmental Issues. Roughly 23% to 28% of the weight of automobiles that are shredded and recycled results in non-salable "residue" or "fluff", which must go to landfill. This creates substantially less environmental hazard than primary iron ore mining — nonetheless, it subjects U.S. operators to a labyrinth of costly environment regulations that a Mexican-based shredder operator can largely mitigate or completely avoid.

KEY COMPETITORS	STRENGTHS	WEAKNESSES
FOR RAW MATERIALS: *Except for metal shredders, all can be converted to suppliers.*	• *Each class focuses on a niche source of recyclable material.*	• *Only direct source of competition is geographically remote.*
Local Peddlers: Focus: Scrap, Appliances **Auto Junkyards:** Focus: Parts, Hulk Sales **Metal Recyclers:** Focus: Industrial Scrap **Metal Shredders:** Focus: Full Spectrum	• Numerous and mobile, can easily scavenge for scrap metal. • Logical accumulation point for large, recyclable metal hulks. • Larger firms that can recycle industrial scrap in quantity. • Few in number, good profit margins, due to economies of scale.	• Can be converted, by offering premium prices, convenience. • Can be converted, by offering premium prices, convenience. • Can be converted, by offering premium prices, convenience. • Local transfer stations exist, but logistical costs are higher.
FOR CONSUMERS: *Very few large metal shredder operators on the West Coast.*	• *High entry barriers and strong global demand for products.*	• *Many are older facilities, and U.S. regulations are a factor.*
Mexico: Mexicali Foundry: 100 Miles Next Closest: 200 Miles **U.S. - California:** Anaheim, Long Beach, Etiwanda, Bakersfield Oakland, Redwood City	• Vertically integrated with large steel mini-mill operator, involving multiple Mexican locations. • High operating standards, large economies of scale, near major urban centers and capable of serving global metal markets.	• Nearest shredder operator is privately dedicated; next nearest is geographically remote. • Heavily bogged down in U.S. environmental and transportation regulations, which add substantially to overall costs.

Competitive Edge. Apex Recycling will effectively compete for sources of raw material, through effective pricing strategies, supplier networking, and judicious use of the Maquiladora status. For American customers that wish to mitigate the impact of full compliance with U.S. environmental regulations, duty-free import of source materials that are processed in Mexico, for turnaround export to origin, will be an attractive option.

Strategy

Strategies for success include: establishing commercial capacity, by acquiring targeted land and completing pre-operating tasks; optimizing operating processes to maximize profitability and customer satisfaction; marketing company offerings; and promoting robust research and development.

Strategic Objectives. The company's five-year mission is to become the preeminent metal shredding operator, along the Mexico-California border, producing recycled ferrous and non-ferrous metals, for sale in world commodity markets. Strategies for success include: (1) establishing commercial capacity, by completing preliminary planning and nine months of pre-operating activities; (2) optimizing key operating processes to minimize costs and assure supply chain participant satisfaction; (3) marketing company offerings to maximize revenues; and (4) promoting research and development, to assure long-term business expansion.

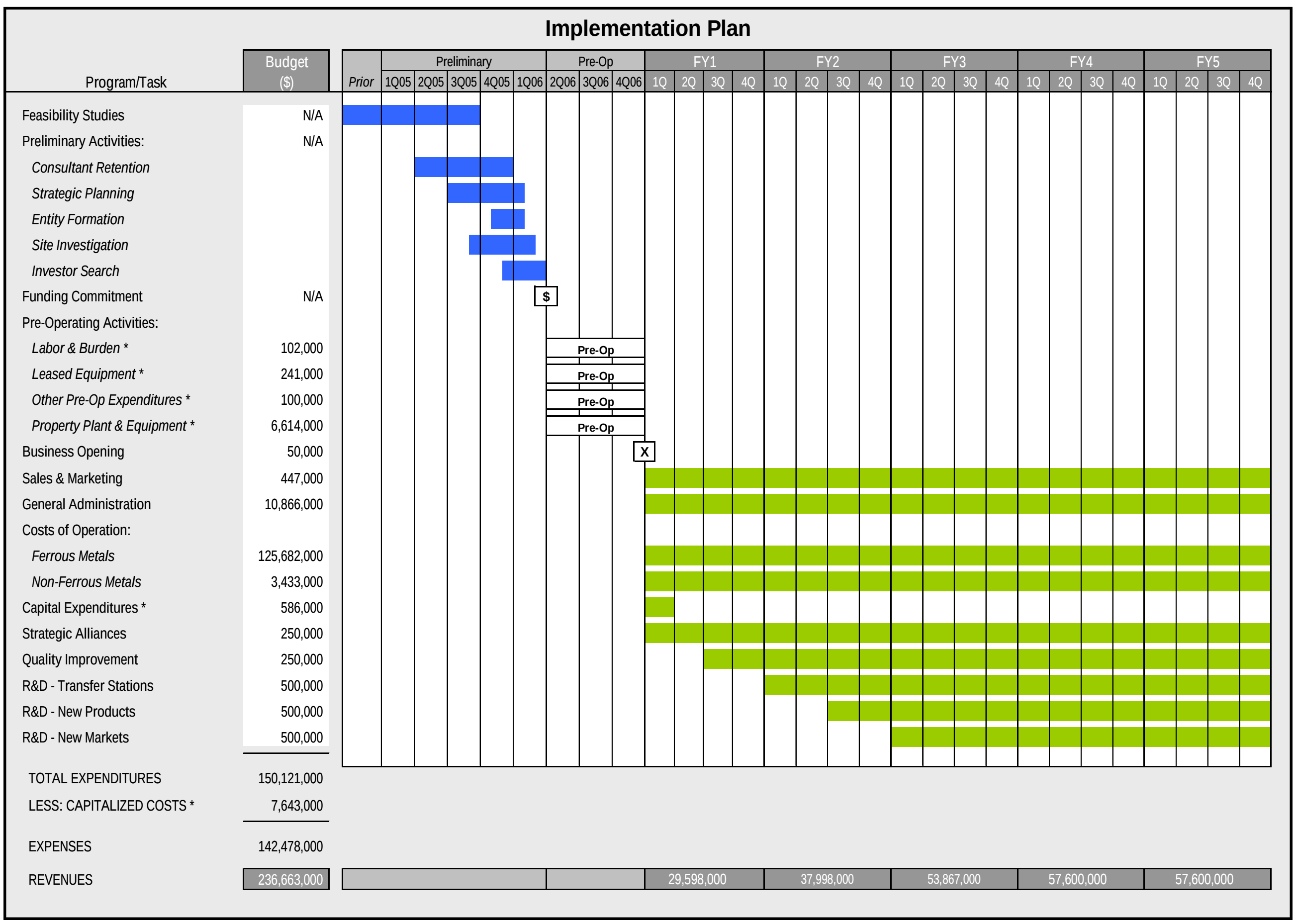
- *Establish Commercial Capacity:* Preliminary planning and other pre-operating activities need to be completed to accommodate commencement of operations, by January 1, 2007. Steps include: (a) finalizing preliminary activities, including feasibility studies, retention of key consultants, entity formation, and strategic planning; (b) conducting site investigation leading to the acquisition of suitable industrial land in the Tijuana metropolitan area, for an estimated purchase price of $1.8 million; (c) placing the initial order, for a Metso Texas 98/104 ferrous and non-ferrous shredder system, secured with a downpayment of $1.0 million; (d) successfully securing investor contributions, by April 1, 2006; (e) obtaining surveys, plus Mexican and U.S. zoning and operating permits at federal, state, and municipal levels; (f) completing site preparation, including roads, electrical utilities, weight scale stations, and main structure foundation; (g) acquiring or leasing ancillary equipment, including tractor trailers, roll-offs, pick-up trucks, trailer and fuel tank, crane and grapple, small tools and machinery, and security system; (h) facilitating construction, assembly, installation, and testing of the shredder facility; (i) hiring and training personnel; (j) developing a six-week raw material inventory; and (k) completing all other pre-operating tasks, necessary to ensure commencement of business operations, by January 1, 2007.
- *Optimize Operating Processes:* Long-term profitability and customer satisfaction will be assured, by optimizing key operating processes. This will include: (a) cultivating supply relationships with local peddlers, auto junkyards, recyclers, Maquiladoras, and local municipalities; (b) establishing ground and sea logistical capabilities; and (c) arranging for cost-effective disposal of fluff at suitable landfills.
- *Market Company Offerings:* Public awareness and revenues will be maximized, by effectively marketing company offerings. This will involve: (a) conducting a multi-channel marketing campaign, including TV, radio, billboards, print and web-based ads; (b) developing contracts with commodity brokers; and (c) forging strategic alliances with likely end users, including steel mills, foundries, and manufacturers.
- *Promote Research & Development:* Long-term success will rely upon a robust research and development program. Key objectives will include: (a) establishing a series of transfer stations that facilitate rail access; and (b) expanding operations to other regions of Mexico and to other markets, worldwide.

	MEASURES OF SUCCESS			
TIME HORIZON	Establish Commercial Capacity	Optimize Operating Processes	Market Company Offerings	Promote Robust R&D
Pre-Op 4/06 thru 12/06	Land & Shredder 4/1/06 Begin Operations 1/1/07	Define Key Processes Quality Improvement	Multi-Channel Campaign Strategic Alliances	Study Competition ID Best Practices
Short-Term FY1	11K Tons Ferrous 300 Tons Non-Ferrous	Industry Benchmark Net Income = $7.7 M	Local Recognition Sales = $30 M	Transfer Stations Rail Access
Long-Term FY5	18K Tons Ferrous 480 Tons Non-Ferrous	Supplier of Choice Net Income = $15.3 M	Regional Recognition Sales = $58 M	Mexican Expansion Global Markets

The operating plan focuses on completing the land and shredder acquisitions, and then finalizing infrastructural development in order to commence operations, by January 1, 2007. The marketing plan relies on multi-channel advertising and extensive customer networking to generate revenues.

Operating Plan. Preliminary activities that are anticipated to occur, prior to funding, include feasibility studies, retention of key consultants, entity formation, strategic planning, site investigation leading to acquisition of suitable industrial land, and placement of the initial order for the ferrous and non-ferrous shredder system. Following a successful search for funding, by April 1, 2006, Apex Recycling will conduct nine months of pre-operating activities to position for commercial operations, anticipated to commence, January 1, 2007. Site surveys will be performed and all zoning classifications, operating permits, and other necessary authorizations will be obtained. Full site preparation, including access roads, electrical utilities, weight scale stations and main structure foundation will be completed. Ancillary equipment, along with small tools and machinery, will be acquired or leased. Key operating processes will be defined and qualified operating and administrative personnel will be hired and trained. Strategic alliances will be forged and maintained, with raw material sources, including local peddlers, automobile junkyards, metal recyclers, Maquiladoras and local municipalities. Periodic evaluations, designed to improve critical operating processes will be vigorous and ongoing.

Marketing Plan. A multi-channel marketing campaign will be conducted, involving local TV and radio spots, print advertising, web-based marketing, and billboards. Contracts with metal commodity brokers will be established, supplemented by extensive networking with potential end consumers. Research and development will be promoted to establish transfer stations, enlarge product offerings, and expand target markets.



Management

The company will be managed by two industry veterans, with decades of experience in metal shredding, steel production, and large facility maintenance. This management team will be directly supported by a highly seasoned Board of Directors, top professional advisors, and qualified staff.

Management Team. Key positions include General Manager and Plant Manager, which are filled. This management team will be supported by a Board of Directors, comprising the owners, top professional consultants in law and government affairs, and a highly qualified staff of operating and administrative personnel.

Manual Antonio Sanchez
General Manager, Apex Recycling, S. de R.L. de C.V.
Over 40 years of executive or general management experience, involving metal shredder, steel scrap brokerage, cast iron foundry, bronze furnace and steel plant operations. Degree, Metallurgical Chemistry, U. of Mexico; Post-Graduate work, August-Thyssen Gutte.

Jesus Luna Rojas
Plant Manager, Apex Recycling, S. de R.L. de C.V.
Over 22 years of experience, involving facilities and maintenance management in various production, manufacturing, and engineering settings. Technical consultant to the Maquiladora industry. Degree, Electromechanics Engineering, Instituto Technologico de Tijuana.

Board of Directors. The company will maintain a Board of Directors, comprised of executives and professionals, drawn from a cross-section of industries in the private and public sectors. Key directors will include:

- **Gregory Chapman**: Founder and CEO, Apex Metals, a successful chain of recycling facilities; serial entrepreneur, with interests in a over a dozen enterprises; developer of mixed use property in Baja, CA; previously, consultant with Price Waterhouse; C.P.A. and holds B.A., Accounting, Univ. of Illinois.
- **Jose Alberto Gomez**: Over 18 years in management positions with top-tier Maquiladora companies; President, Nuevo Trading, LLC; President, AIM; Vice-President, CNIME; active in international trade missions and development projects; B.S., Engineering; M.B.A.; Doctoral candidate, CETYS University.

Influential Advisors. The company will rely on professional and functional advisors, drawn from a variety of disciplines or industries. Particular emphasis will be placed on the areas of law and government affairs:

- *Legal Counsel* — **Maximillian De Anda**: Senior Partner, De Anda & Gracia, S.C., practicing in contracts, corporate, real estate, customs, securities & environmental law; J.D., Univ. of Baja California.
- *Government Affairs* — **Romero Benedicto Carerro**: Attorney; President, Baja California Businessman Council; Honorary Consul of Japan; former Director, Cott Manufacturing & National President, CNIME.

Personnel Plan. Apex Recycling will manage its pre-operating period, with 9 full-time equivalent employees, including 1 General Manager, 1 Plant Manager, 1 Shredder Operator, 1 Working Foreman, 1 Receiving Yard Inspector, 1 Head Mechanic, 2 Mechanics and 1 Marketing Rep. When operations commence, Apex will add 1 General & Administrative and 16 Production FTEs. As production increases, 2 G&A and 8 additional Production positions will be added, resulting in an FTE complement of 36 positions, by year end FY5.

Personnel Plan

Start-Up: 1/1/07	1QY1	2QY1	3QY1	4QY1	1QY2	2QY2	3QY2	4QY2	1QY3	2QY3	3QY3	4QY3	1QY4	2QY4	3QY4	4QY4	1QY5	2QY5	3QY5	4QY5	FY1	FY2	FY3	FY4	FY5
Personnel Count																									
Production	22	22	22	22	22	22	22	22	22	22	28	28	28	28	30	30	30	30	30	30	22	22	28	30	30
Sales & Marketing	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
General & Administrative	3	3	3	3	3	3	3	3	3	3	5	5	5	5	5	5	5	5	5	5	3	3	5	5	5
Payroll Count	26	26	26	26	26	26	26	26	26	26	34	34	34	34	36	36	36	36	36	36	26	26	34	36	36
Total Personnel	26	26	26	26	26	26	26	26	26	26	34	34	34	34	36	36	36	36	36	36	26	26	34	36	36
Labor Costs ($000)																									
Production	130	130	130	130	136	136	136	136	143	143	189	189	198	198	205	205	215	215	215	215	520	544	664	806	860
Sales & Marketing	10	13	14	14	14	14	15	16	18	19	20	20	20	20	20	20	20	20	20	20	51	59	77	80	80
General & Administrative	31	31	31	31	33	33	33	33	34	34	46	46	48	48	48	48	51	51	51	51	124	132	160	192	204
Payroll	171	174	175	175	183	183	184	185	195	196	255	255	266	266	273	273	286	286	286	286	695	735	901	1,078	1,144
Bonus	60	90	110	110	110	110	120	135	150	165	178	180	180	180	180	180	180	180	180	180	370	475	673	720	720
Payroll Burden	74	84	91	91	94	94	97	102	110	116	139	139	143	143	145	145	149	149	149	149	340	387	504	576	596
Total Labor Costs	305	348	376	376	387	387	401	422	455	477	572	574	589	589	598	598	615	615	615	615	1,405	1,597	2,078	2,374	2,460

Risk Assessment

Apex Recycling is poised to exploit the global market that exists for recycled ferrous and non-ferrous metals that can be produced in an environmentally-sensitive and energy-efficient manner. Key success factors and critical risk factors have been evaluated — success is highly achievable.

General Economic Outlook. In 2006, GDP growth for Mexico is forecasted to be 3.5%, but this figure is heavily dependent upon the U.S. outlook, given Mexico's reliance on its cross-border partner as a destination for 87% of its exports.[16] Stiff competition from China for U.S. import share will be met with continuing Maquiladora sophistication and support for central policies that attract foreign investment. In the U.S., despite a prolonged slowdown in its economy, the country appears headed toward some form of sustainable growth. Increased corporate earnings and measurable relief in financial markets are positive signs, but larger-than-anticipated federal deficits, rising energy prices, and the uncertainty of a post-war Iraq are still weighing on the economy. U.S. border industries that are subject to costly labor or environmental regulations will be increasingly drawn to Maquiladora solutions that optimize competitiveness. Visionaries that are able to leverage these trends in the context of projected growth in global steel production will be rewarded.

Key Success Factors. The company assumes that the existence of the following factors or assumptions would positively influence business success, and that these factors or assumptions will, in fact, **occur**:

- *Establishment of commercial capacity is attainable.* Business projections will attract the funding, necessary to facilitate the land acquisition, and defined pre-operating tasks are fully achievable.
- *Optimization of key operating processes will ensure profitability.* Key process definition, continuous quality improvement, large economies of scale, and planned expansion will assure long-term profits.
- *Sustainable demand exists and contemplated marketing channels will be effective.* Aggregate world markets for company products total $182 billion; extensive alliances and marketing will ensure sales.
- *Company offerings demonstrate long-term, competitive advantages.* Geographical advantage, public policy support, large economies of scale, and seasoned management will dominate competition.

Critical Risk Factors. The company assumes that the existence of the following factors or assumptions would seriously threaten business success, but that these factors or assumptions will, in fact, **not occur**:

- *Qualified sources of funding commitments are not forthcoming in the general amounts sought.*
- *A dominant, deep-pocket competitor enters the market, greatly reducing available market share.*
- *Global reduction in demand for commodity metals reduces demand for secondary production .*

Contingency Plan		
Contingent Event	**Likely Consequence**	**Management Response**
Sources of funding cannot be obtained in the amounts sought.	Deferral of cash-intensive initiatives; slower income growth.	Reduce scale of venture; pursue business plan in modified form.
Deep-pocket market entrant seeks market share dominance.	Loss of market share; lower revenue, net income, and cash flow.	Focus on marketable distinctions & alliances; R&D new offerings.
Establishment of commercial capacity involves unexpected delay.	Project hiatus; deferral of sales, cash, and income projections.	Create core capacity; push high-margin activities; R&D solution.
Ineffective marketing channels fail to create consumer demand.	Reduced revenue, net income, and cash flow expectations.	Re-evaluate market needs & adjust message; cultivate alliances.
Unanticipated decline in demand for commodity metals develops.	Reduced revenue & income expectation; loss of market share.	Leverage economies of scale & supply alliances; adjust prices.

Capitalization Plan

Apex Recycling is seeking investor contributions, totaling $12,000,000, by April 1, 2006, to cover working capital and capital expenditure requirements, totaling $9,100,000, and to create contingent reserves, totaling $2,900,000. Investor exit strategies exist; later-round funding may occur.

Start-Up Condition. Start-up requirements for Apex Recycling total $14,897K, including property, plant & equipment, totaling $2,800K, deferred charges of 97K, and initial cash of $12,000K. Company resources total $2,897K, comprised exclusively of owner investments, resulting in a net resource shortfall of $12,000K.

Capitalization Plan. Apex Recycling proposes to cover its initial shortfall, by obtaining investor contributions, totaling $12,000,000, by April 1, 2006. These funds will be applied to working capital requirements, involving inventory, deposits, and G&A expenses, totaling $1,457K, to capital expenditure needs, involving pre-operating expenditures and PP&E, totaling $7,643K, and to create contingent cash reserves of $2,900K.

CAPITALIZATION PLAN ($000)

REQUIREMENTS		RESOURCES	
YTD Expenses Thru 3/31/06:		Loans:	
Cost of Goods Sold	0.0	Accounts Payable	0.0
Operating Expenses	0.0	Other Current Liabilities	0.0
Less: Sales	0.0	Short-Term Loans	0.0
		Long-Term Loans	0.0
YTD Loss (Gain)	0.0	Total Loans	0.0
Start-Up Assets:		Investments:	
Cash	12,000.0	Owners' Equity	2,896.6
Accounts Receivable	0.0		
Inventory	0.0		
Other Assets	0.0		
Property, Plant & Equipment	2,800.0		
Deferred Charges	96.6	Investor	12,000.0
Accum. Deprec. & Amort.	0.0		
Total Start-Up Assets	14,896.6	Total Investments	14,896.6
TOTAL REQUIREMENTS	14,896.6	TOTAL RESOURCES	14,896.6

BUSINESS PLAN START DATE: APRIL 1, 2006			
Total Resources Available	14,896.6	Start-Up ASSETS	14,896.6
Less: Assets Purchased	14,896.6	Start-Up LIABILITIES	0.0
Start-Up Loss (Gain)	0.0	Start-Up EQUITY	14,896.6

USE OF PROCEEDS	
Working Capital:	
Inventory	1,056.0
Deposits	125.0
G&A Expenses	276.0
Contingency Fund	1,500.0
Total Working Capital	2,957.0
Capital Expenditures:	
Pre-Op Expenditures	443.0
Property, Plant & Equip.	7,200.0
Contingency Fund	1,400.0
Total Capital Expenditures	9,043.0
TOTAL USES	12,000.0

RETURN ON TOTAL INVESTMENT	
Fiscal Year 1	52%
Fiscal Year 3	100%
Fiscal Year 5	102%

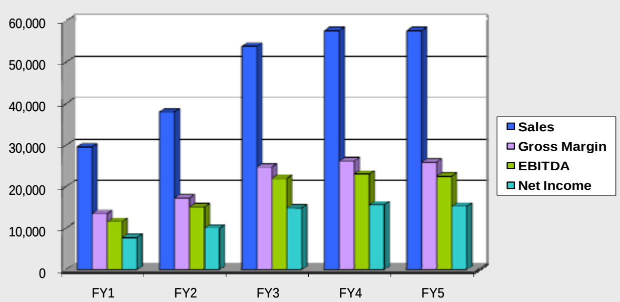
Exit Strategy and Possible Later-Round Funding. The company's competitive advantages are expected to result in broad target market acceptance. The most probable investor exit strategies include acquisition of the company, management buyout or initial public offering. If the company elects to dramatically expand operations or if synergistic business opportunities arise, then Apex Recycling may seek later-round funding

Forecasted sales for FY1 are 29.6 million, increasing to $57.6 million in FY5. Projected FY1 net income is $7.7 million, increasing to $15.3 million in FY5. During this period, net income, as a percentage of sales, ranges from 26% to 28%; return on total investment ranges, from 52% to 102%.

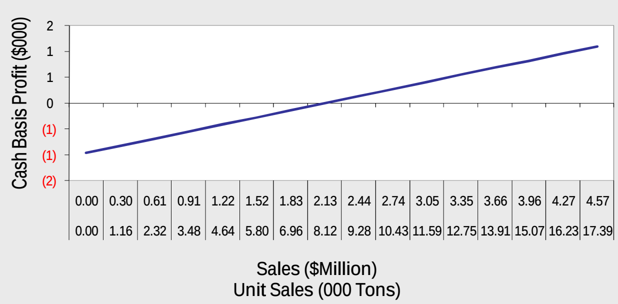
Projected Operating Highlights ($000)

Start-Up: 1/1/07	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY1	FY2	FY3	FY4	FY5
Sales	1,333	1,600	1,867	2,133	2,400	2,667	2,933	2,933	2,933	2,933	2,933	2,933	29,598	37,998	53,867	57,600	57,600
Gross Margin	586	713	838	964	1,090	1,216	1,342	1,342	1,341	1,342	1,342	1,341	13,457	17,255	24,766	26,170	25,900
Operating Expenses	145	143	147	158	161	161	172	170	172	170	172	169	1,940	2,143	2,753	3,135	3,392
EBITDA	441	570	691	806	929	1,055	1,170	1,172	1,169	1,172	1,170	1,172	11,517	15,112	22,013	23,035	22,508
Income Before Taxes	398	527	648	763	886	1,012	1,127	1,129	1,126	1,129	1,127	1,130	11,002	14,287	21,278	22,374	21,795
Net Income	279	369	454	534	620	708	789	790	788	790	789	791	7,701	10,001	14,895	15,661	15,257
Percentages:																	
Gross Margin/Sales	44%	45%	45%	45%	45%	46%	46%	46%	46%	46%	46%	46%	45%	45%	46%	45%	45%
EBITDA/Sales	33%	36%	37%	38%	39%	40%	40%	40%	40%	40%	40%	40%	39%	40%	41%	40%	39%
Net Income/Sales	21%	23%	24%	25%	26%	27%	27%	27%	27%	27%	27%	27%	26%	26%	28%	27%	26%
Return On Investment													52%	67%	100%	105%	102%
Net Cash Flow	(1,192)	264	172	247	339	422	507	653	832	832	833	831	4,740	9,915	14,406	16,635	15,966
Cash Balance - Ending	2,910	3,174	3,346	3,593	3,932	4,354	4,861	5,514	6,346	7,178	8,011	8,842	8,842	18,757	33,163	49,798	65,764

Projected Operating Highlights By Year ($000)



Monthly Breakeven Analysis



Financial Indicators

	FY1	FY2	FY3	FY4	FY5
Profitability %'s:					
Gross Margin	45%	45%	46%	45%	45%
Net Profit Margin	26%	26%	28%	27%	26%
Return On Assets	32%	29%	30%	24%	19%
Return On Equity	34%	31%	31%	25%	19%
Return On Investment	52%	67%	100%	105%	102%
Activity Ratios:					
Accounts Receivable Turnover	12.00	12.00	12.00	12.00	12.00
Collection Days	30.00	30.00	30.00	30.00	30.00
Inventory Turnover	8.00	8.00	8.00	8.00	8.00
Accounts Payable Turnover	12.00	12.00	12.00	12.00	12.00
Asset Turnover	1.22	1.09	1.07	0.87	0.71
Debt Ratios:					
Debt To Equity	0.07	0.07	0.06	0.05	0.04
Short-Term Liabilities To Liabilities	1.00	1.00	1.00	1.00	1.00
Liquidity Indicators:					
Current Ratio	8.62	11.66	14.65	18.30	23.13
Quick Ratio	7.22	10.31	13.32	17.10	21.93
Net Working Capital ($000)	12573	23399	39029	55351	71321
Interest Coverage Ratio	N/A	N/A	N/A	N/A	N/A
Additional Indicators:					
Assets to Revenues Ratio	0.82	0.92	0.93	1.15	1.42
Debt To Assets Ratio	7%	6%	6%	5%	4%
Current Debt To Total Assets Ratio	7%	6%	6%	5%	4%
Acid Test	5.44	8.61	11.64	15.60	20.44
Revenues To Equity Ratio	1.31	1.17	1.13	0.91	0.73
Dividend Payout %	0%	0%	0%	0%	0%

Sensitivity Analysis For FY1

	% Effect On:	
	Net Income	Cash Balance
If Sales Are:		
1% Higher Than Projected	1.2%	1.0%
1% Lower Than Projected	-1.2%	-1.0%
If Operating Expenses Are:		
1% Higher Than Projected	-0.2%	-0.2%
1% Lower Than Projected	0.2%	0.2%

Benchmark Analysis (FY1 = 1.00)

	FY1	FY2	FY3	FY4	FY5
Sales	1.0	1.3	1.8	2.0	2.0
Cost of Goods Sold	1.0	1.3	1.8	2.0	2.0
Gross Margin	1.0	1.3	1.8	1.9	1.9
Operating Expenses:	1.0	1.1	1.4	1.6	1.8
Sales & Marketing	1.0	1.1	1.3	1.4	1.4
Gen. & Administrative	1.0	1.1	1.4	1.6	1.8
EBITDA	1.0	1.3	1.9	2.0	2.0
Net Income	1.0	1.3	1.9	2.0	2.0

Sales

Sales for FY1 through FY5 are forecasted to be $29.6 million, $38.0 million, $53.9 million, $57.6 million and $57.6 million. Primary revenues include sales of ferrous and non-ferrous metals. Cost of goods sold include cost of raw materials, shipping, disposal of residue, and other variable costs.

Forecasted Sales and Cost of Goods Sold ($000)

Start-Up: 1/1/07	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY1	FY2	FY3	FY4	FY5
Unit Volume (1):																	
Ferrous Metals	5,000	6,000	7,000	8,000	9,000	10,000	11,000	11,000	11,000	11,000	11,000	11,000	111,000	142,500	202,000	216,000	216,000
Non-Ferrous Metals	133	160	187	213	240	267	293	293	293	293	293	293	2,958	3,798	5,387	5,760	5,760
Total Unit Volume	5,133	6,160	7,187	8,213	9,240	10,267	11,293	11,293	11,293	11,293	11,293	11,293	113,958	146,298	207,387	221,760	221,760
Unit Price ($/Unit) (2):																	
Ferrous Metals	240	240	240	240	240	240	240	240	240	240	240	240					
Non-Ferrous Metals	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000					
Forecasted Sales ($000) (3):																	
Ferrous Metals	1,200	1,440	1,680	1,920	2,160	2,400	2,640	2,640	2,640	2,640	2,640	2,640	26,640	34,200	48,480	51,840	51,840
Non-Ferrous Metals	133	160	187	213	240	267	293	293	293	293	293	293	2,958	3,798	5,387	5,760	5,760
Total Sales	1,333	1,600	1,867	2,133	2,400	2,667	2,933	2,933	2,933	2,933	2,933	2,933	29,598	37,998	53,867	57,600	57,600
Unit COGS ($/Unit) (4):																	
Ferrous Metals	137	137	137	137	137	137	137	137	137	137	137	137					
Non-Ferrous Metals	140	140	140	140	140	140	140	140	140	140	140	140					
Forecasted COGS ($000) (5):																	
Ferrous Metals	685	822	959	1,096	1,233	1,370	1,507	1,507	1,507	1,507	1,507	1,507	15,207	19,665	27,676	29,808	30,024
Non-Ferrous Metals	19	22	26	30	34	37	41	41	41	41	41	41	414	534	761	816	816
Total Cost of Goods Sold	704	844	985	1,126	1,267	1,407	1,548	1,548	1,548	1,548	1,548	1,548	15,621	20,199	28,437	30,624	30,840

NOTES: (1) UNIT VOLUME: Apex Recycling benefits from two revenue streams, involving commercially salable forms of Ferrous Metals and Non-Ferrous Metals, which arise from the industrial shredding of a variety of raw material metal sources, including junked or abandoned automobiles, miscellaneous loose appliances. and a wide range of other metal scrap. Apex Recycling will utilize a 9-month pre-operating period, beginning April 1, 2006, to complete the purchase and installation of a ferrous mega shredder plant and downstream non-ferrous system, purchase ancillary equipment, train personnel and complete all other infrastructure or tasks, necessary to commence full business operations, by January 1, 2007.

SHREDDER OUTPUT: Sources of input metal are shredded, resulting in large percentages of Ferrous Metal output, small percentages of Non-Ferrous output and significant percentages of Fluff, non-metal residuals that are non-commercial and must be disposed. During the 5-year planning horizon, the following production ratios of Ferrous:Non-Ferrous:Fluff are assumed:
FY1 = 75:2:23; FY2 = 73:2:25; FY3 = 71:2:27; FY4 = 70:2:28; and FY5 = 70:2:28.

FERROUS METALS: Unit Volumes reflect a linear increase, from 5,000 tons/mo. to 11,000 tons/mo., followed by steady-state production to Month 18, then another gradual increase in production to a ceiling of 18,000 tons/mo., by Month 32.

NON-FERROUS METALS: Unit Volume = (Ferrous Unit Volume / Ferrous Output %) x Non-Ferrous Output %.

(3) FORECASTED SALES -- ALL REVENUE STREAMS: Unit Volume x Unit Price.

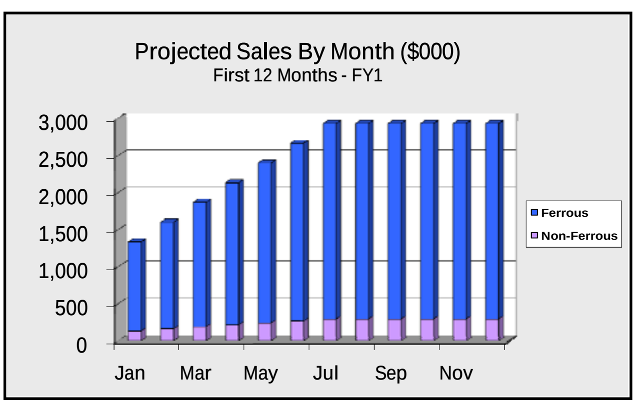
(4) UNIT COST OF GOODS SOLD: Reflects aggregate costs, comprised of the following cost components and adjustments --

FY1 Cost Components - Assuming 100% Production Efficiency:
(a) Raw Materials: Wtd. Avg. Cost ($/ton) of Autos ($80 x 35%) + Cost of Short ($140 x 10%) + Cost of Long ($80 x 55%).
(b) Shipping: Wtd. Avg. Cost ($/ton) of FOB Long Beach ($30 x 25%) + FOB China, via Ensenada ($16 x 75%).
(c) Disposal: $25.00 per ton, assuming 23% Fluff output.
(d) Other: Utilities = $5.25/ton; Equip. Insurance = $0.75/ton; Repairs & Maint. = $6.50/ton; Fuel = $1.00/ton; Misc. = $1.25/ton.

FY1 - FY5 Adjustment: Ferrous efficiency = 92%; Non-Ferrous efficiency = 90%; applicable to (a), (c) and (d), above and below.

FY2 - FY5 Adjustments:
(a) Raw Materials: None.
(b) Shipping: None.
(c) Disposal: Fluff Output = 25%, 27%, 28%, 28%; Disposal Cost ($/ton) = $25.00; $20.00; $20.00; $20.00.
(d) Other: Utilities = 5%/yr. increases, for FY3 thru FY5; Fuel = 5%/yr. increases, for FY3 thru FY5.

(5) FORECASTED COST OF GOODS SOLD -- ALL REVENUE STREAMS: Unit Volume x Unit Cost of Goods Sold.



Net Income

Net income is positive in Month 1, and for FY1 through FY5, is projected to be $7.7 million, $10.0 million, $14.9 million, $15.7 million, and $15.3 million. During the horizon, gross margin percentage ranges, from 45% to 46%; net income, as a percentage of sales, ranges from 26% to 28%.

Projected Income Statement ($000)

Start-Up: 1/1/07	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY1	FY2	FY3	FY4	FY5
Sales	1,333	1,600	1,867	2,133	2,400	2,667	2,933	2,933	2,933	2,933	2,933	2,933	29,598	37,998	53,867	57,600	57,600
Direct Cost of Goods Sold	704	844	985	1,126	1,267	1,407	1,548	1,548	1,548	1,548	1,548	1,548	15,621	20,199	28,437	30,624	30,840
Production Labor	43	43	44	43	43	44	43	43	44	43	43	44	520	544	664	806	860
Total Cost of Goods Sold	747	887	1,029	1,169	1,310	1,451	1,591	1,591	1,592	1,591	1,591	1,592	16,141	20,743	29,101	31,430	31,700
Gross Margin	586	713	838	964	1,090	1,216	1,342	1,342	1,341	1,342	1,342	1,341	13,457	17,255	24,766	26,170	25,900
Gross Margin/Sales %	44%	45%	45%	45%	45%	46%	46%	46%	46%	46%	46%	46%	45%	45%	46%	45%	45%
Operating Expenses:																	
Sales & Marketing Labor	3	3	4	4	4	5	5	5	4	5	5	4	51	59	77	80	80
Advertising & Promotion	3	2	3	2	3	2	3	2	3	2	3	2	30	30	30	30	30
Sales & Marketing	6	5	7	6	7	7	8	7	7	7	8	6	81	89	107	110	110
Sales & Markeing/Sales %	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
General & Admin. Labor	10	10	11	10	10	11	10	10	11	10	10	11	124	132	160	192	204
Payroll Burden (1)	25	25	24	28	28	28	30	30	31	30	30	31	340	387	504	576	596
Bonus (2)	20	20	20	30	30	30	37	37	36	37	37	36	370	475	673	720	720
Insurance	4	4	4	4	4	4	4	4	4	4	4	4	48	48	48	48	48
Leased Vehicles & Equipment	34	34	34	34	34	34	34	34	34	34	34	34	408	428	449	471	495
Office Expense	1		1		1		1		1		1		6	6	6	6	6
Communications	3	3	3	3	3	3	3	3	3	3	3	3	36	36	36	36	36
Professional Services (3)	36	37	36	37	36	37	36	37	36	37	36	36	437	437	638	838	1,039
Travel & Entertainment	3	2	3	2	3	2	3	2	3	2	3	2	30	30	30	30	30
Other	3	3	4	4	5	5	6	6	6	6	6	6	60	75	102	108	108
Gen.& Administrative	139	138	140	152	154	154	164	163	165	163	164	163	1,859	2,054	2,646	3,025	3,282
Gen. & Admin./Sales %	10%	9%	7%	7%	6%	6%	6%	6%	6%	6%	6%	6%	6%	5%	5%	5%	6%
Total Operating Expenses	145	143	147	158	161	161	172	170	172	170	172	169	1,940	2,143	2,753	3,135	3,392
EBITDA	441	570	691	806	929	1,055	1,170	1,172	1,169	1,172	1,170	1,172	11,517	15,112	22,013	23,035	22,508
EBITDA/Sales %	33%	36%	37%	38%	39%	40%	40%	40%	40%	40%	40%	40%	39%	40%	41%	40%	39%
Depreciation & Amort. (4)	43	43	43	43	43	43	43	43	43	43	43	42	515	825	735	661	713
Interest Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Income Before Taxes	398	527	648	763	886	1,012	1,127	1,129	1,126	1,129	1,127	1,130	11,002	14,287	21,278	22,374	21,795
Tax Expense (5)	119	158	194	229	266	304	338	339	338	339	338	339	3,301	4,286	6,383	6,713	6,538
NET INCOME	279	369	454	534	620	708	789	790	788	790	789	791	7,701	10,001	14,895	15,661	15,257
Net Income/Sales %	21%	23%	24%	25%	26%	27%	27%	27%	27%	27%	27%	27%	26%	26%	28%	27%	26%

NOTES: (1) Assumes 32% payroll burden rate, covering Mexican federal and state statutory burdens, plus employee vacation and medical benefits.

(2) Reflects bonuses, assumed to approximate 1.25% of Sales, which will be used to incentivize individual and collective performance.

(3) Includes outside consulting fees, which do not involve Apex employees or equity owners ($3,200K), legal fees ($50K), accounting fees ($80K), and security monitoring ($60K).

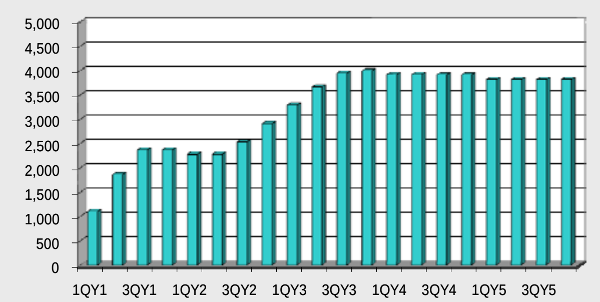
(4) Reflects depreciation and amortization of 15-year ($586K) class assets, acquired after December 31, 2006;
plus D&A of 7-year ($515K), 15-year ($4,099K) and 39-year ($2,000K) class assets, acquired from April 1 thru December 31, 2006;
plus 5-year straightline D&A of expenditures, classified as Deferred Charges ($443K), from April 1 thru December 31, 2006;
plus D&A of 15-year class assets ($1,000K), existing at March 31, 2006;
plus 5-year straightline D&A of start-up costs, classified as Deferred Charges ($97K), as of March 31, 2006.

(5) Assumes cumulative, net effective federal and state income tax rate of 30%, for U.S. and Mexico-based recognizable income.

Pre-Operating Expenditures, Net of Sales ($000)

Start-Up: 4/1/06	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	9 Mo
Pre-Op Sales	0	0	0	0	0	0	0	0	0	0
Production Labor	0	0	0	3	3	3	10	10	11	40
Total Cost of Goods Sold	0	0	0	3	3	3	10	10	11	40
Pre-Op Gross Margin	0	0	0	(3)	(3)	(3)	(10)	(10)	(11)	(40)
Gross Margin/Sales %	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pre-Op Expenditures:										
Sales & Marketing Labor	0	0	0	1	1	0	2	2	1	7
General & Admin. Labor	0	0	0	2	2	2	8	8	9	31
Payroll Burden	0	0	0	2	2	1	6	6	7	24
Advertising & Promotion						3	2	3	2	10
Insurance	4	4	4	4	4	4	4	4	4	36
Leased Vehicles & Equipment			37	34	34	34	34	34	34	241
Other	6	5	7	5	6	6	6	5	8	54
Total Pre-Op Expenditures	10	9	48	48	49	50	62	62	65	403
Net Pre-Op Expenditures	10	9	48	51	52	53	72	72	76	443

Projected Net Income By Quarter ($000)
All Fiscal Years



Cash Flow

Except for Month 1, net cash flow is positive, throughout the 5-year planning horizon. Projected ending cash balances for FY1 through FY5 are $8.8 million, $18.8 million, $33.2 million, $49.8 million and $65.8 million. The minimum cash balance, which occurs in Month 1 of FY1, is $2,910K.

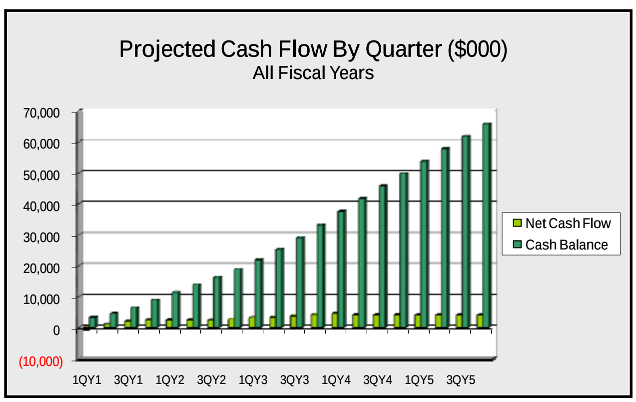
Projected Cash Flow Statement ($000)

Start-Up: 1/1/07	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY1	FY2	FY3	FY4	FY5
Net Income	279	369	454	534	620	708	789	790	788	790	789	791	7,701	10,001	14,895	15,661	15,257
Plus:																	
Depreciation & Amort.	43	43	43	43	43	43	43	43	43	43	43	42	515	825	735	661	713
Increase (Decrease) In:																	
Accounts Payable (1)	405	329	154	147	155	148	152	(180)	1	(1)	1	(2)	1,309	545	666	340	23
Other Current Liab.													0	0	0	0	0
Short-Term Notes													0	0	0	0	0
Long-Term Notes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Paid-In Capital													0	0	0	0	0
Sources of Cash	448	372	197	190	198	191	195	(137)	44	42	44	40	1,824	1,370	1,401	1,001	736
Less:																	
Increase (Decrease) In:																	
Accounts Receivable (2)	1,333	267	267	266	267	267	266	0	0	0	0	0	2,933	800	1,067	0	0
Inventory (3)	0	210	212	211	212	210	211	0	0	0	0	0	1,266	656	823	27	27
Other Assets													0	0	0	0	0
Prop., Plant & Equip. (4)	586	0	0	0	0	0	0	0	0	0	0	0	586	0	0	0	0
Deferred Charges													0	0	0	0	0
Dividends													0	0	0	0	0
Uses of Cash	1,919	477	479	477	479	477	477	0	0	0	0	0	4,785	1,456	1,890	27	27
Net Cash Flow	(1,192)	264	172	247	339	422	507	653	832	832	833	831	4,740	9,915	14,406	16,635	15,966
Cash Balance - Beginning	4,102	2,910	3,174	3,346	3,593	3,932	4,354	4,861	5,514	6,346	7,178	8,011	4,102	8,842	18,757	33,163	49,798
Cash Balance - Ending	2,910	3,174	3,346	3,593	3,932	4,354	4,861	5,514	6,346	7,178	8,011	8,842	8,842	18,757	33,163	49,798	65,764

NOTES: (1) Reflects monthly changes in account balances, as presented in the Financial History and Projected Balance Sheet.
(2) Reflects monthly changes in account balances, as presented in the Financial History and Projected Balance Sheet.
(3) Reflects monthly changes in account balances, as presented in the Financial History and Projected Balance Sheet.
(4) Reflects 6th and final installment on the main shredder ($586K); previous installments include an initial downpayment ($1,000K) during March 2006, plus four additional installments ($4,099K), from April 1 through December 31, 2006.

Projected Cash Flow: Pre-Operating Period ($000)

Start-Up: 4/1/06	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	9 Mo
Pre-Operating Net Income	0	0	0	0	0	0	0	0	0	0
Plus:										
Depreciation & Amort.	0	0	0	0	0	0	0	0	0	0
Increase (Decrease) In:										
Accounts Payable	9	(1)	33	(4)	0	3	298	0	2	340
Paid-In Capital										0
Sources of Cash	9	(1)	33	(4)	0	3	298	0	2	340
Less:										
Increase (Decrease) In:										
Inventory	0	0	0	0	0	0	352	352	352	1,056
Other Assets			125							125
Prop., Plant & Equip.	717	1,838	755	1,120	109	882	4	1,180	9	6,614
Deferred Charges	10	9	48	51	52	53	72	72	76	443
Dividends										0
Uses of Cash	727	1,847	928	1,171	161	935	428	1,604	437	8,238
Net Cash Flow	(718)	(1,848)	(895)	(1,175)	(161)	(932)	(130)	(1,604)	(435)	(7,898)
Cash Balance - Beginning	12,000	11,282	9,434	8,539	7,364	7,203	6,271	6,141	4,537	12,000
Cash Balance - Ending	11,282	9,434	8,539	7,364	7,203	6,271	6,141	4,537	4,102	4,102



Balance Sheet

Total assets for FY1 through FY5 are projected to be $24.2 million, $34.8 million, $50.4 million, $66.4 million and $81.6 million. Minimum working capital is $4.7 million in Month 1. Zero short or long-term debt is assumed. Debt-to-equity ratio ranges from 0.07 to 0.04, reflecting payables only.

Projected Balance Sheet ($000)

Start-Up: 1/1/07	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY1	FY2	FY3	FY4	FY5
ASSETS																	
Cash	2,910	3,174	3,346	3,593	3,932	4,354	4,861	5,514	6,346	7,178	8,011	8,842	8,842	18,757	33,163	49,798	65,764
Accounts Receivables (1)	1,333	1,600	1,867	2,133	2,400	2,667	2,933	2,933	2,933	2,933	2,933	2,933	2,933	3,733	4,800	4,800	4,800
Inventory (2)	1,056	1,266	1,478	1,689	1,901	2,111	2,322	2,322	2,322	2,322	2,322	2,322	2,322	2,978	3,801	3,828	3,855
Other Assets (3)	125	125	125	125	125	125	125	125	125	125	125	125	125	125	125	125	125
Current Assets	5,424	6,165	6,816	7,540	8,358	9,257	10,241	10,894	11,726	12,558	13,391	14,222	14,222	25,593	41,889	58,551	74,544
Property, Plant & Equipment	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Deferred Charges	540	540	540	540	540	540	540	540	540	540	540	540	540	540	540	540	540
Less: Depreciation & Amort.	43	86	129	172	215	258	301	344	387	430	473	515	515	1,340	2,075	2,736	3,449
Long-Term Assets	10,497	10,454	10,411	10,368	10,325	10,282	10,239	10,196	10,153	10,110	10,067	10,025	10,025	9,200	8,465	7,804	7,091
Total Assets	15,921	16,619	17,227	17,908	18,683	19,539	20,480	21,090	21,879	22,668	23,458	24,247	24,247	34,793	50,354	66,355	81,635
LIABILITIES																	
Accounts Payable (4)	745	1,074	1,228	1,375	1,530	1,678	1,830	1,650	1,651	1,650	1,651	1,649	1,649	2,194	2,860	3,200	3,223
Other Current Liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Short-Term Notes Payable	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Current Liabilities	745	1,074	1,228	1,375	1,530	1,678	1,830	1,650	1,651	1,650	1,651	1,649	1,649	2,194	2,860	3,200	3,223
Long-Term Notes Payable	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Long-Term Liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Liabilities	745	1,074	1,228	1,375	1,530	1,678	1,830	1,650	1,651	1,650	1,651	1,649	1,649	2,194	2,860	3,200	3,223
EQUITY																	
Paid-In Capital (5)	14,897	14,897	14,897	14,897	14,897	14,897	14,897	14,897	14,897	14,897	14,897	14,897	14,897	14,897	14,897	14,897	14,897
Retained Earnings	279	648	1,102	1,636	2,256	2,964	3,753	4,543	5,331	6,121	6,910	7,701	7,701	17,702	32,597	48,258	63,515
Total Equity	15,176	15,545	15,999	16,533	17,153	17,861	18,650	19,440	20,228	21,018	21,807	22,598	22,598	32,599	47,494	63,155	78,412
Total Liabilities & Equity	15,921	16,619	17,227	17,908	18,683	19,539	20,480	21,090	21,879	22,668	23,458	24,247	24,247	34,793	50,354	66,355	81,635

NOTES:
(1) Percentage of sales on credit assumed to be 100%, subject to 30-day collection period.
(2) Reflects Costs of Sales x 12 months, divided by 8.0 inventory turns, reflecting 1.5 months of stock.
(3) Reflects refundable, one-time deposit on equipment & machinery.
(4) Estimated balances, assuming 15% of expenses paid in cash and an average 30-day payment period.
(5) Reflects original owner investments of $2,896,600, plus paid-in capital of new investors, totaling $12,000,000.

Balance Sheet: Pre-Operating Period ($000)

Start-Up: 4/1/06	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	9 Mo
ASSETS										
Cash	11,282	9,434	8,539	7,364	7,203	6,271	6,141	4,537	4,102	4,102
Other Assets	0	0	125	125	125	125	125	125	125	125
Current Assets	11,282	9,434	8,664	7,489	7,328	6,396	6,618	5,366	5,283	5,283
Property, Plant & Equipment	3,517	5,355	6,110	7,230	7,339	8,221	8,225	9,405	9,414	9,414
Deferred Charges	107	116	164	215	267	320	392	464	540	540
Total Assets	14,906	14,905	14,938	14,934	14,934	14,937	15,235	15,235	15,237	15,237
LIABILITIES										
Accounts Payable	9	8	41	37	37	40	338	338	340	340
Current Liabilities	9	8	41	37	37	40	338	338	340	340
Long-Term Notes Payable	0	0	0	0	0	0	0	0	0	0
Long-Term Liabilities	0	0	0	0	0	0	0	0	0	0
Total Liabilities	9	8	41	37	37	40	338	338	340	340
EQUITY										
Paid-In Capital	14,897	14,897	14,897	14,897	14,897	14,897	14,897	14,897	14,897	14,897
Retained Earnings	0	0	0	0	0	0	0	0	0	0
Total Equity	14,897	14,897	14,897	14,897	14,897	14,897	14,897	14,897	14,897	14,897
Total Liabilities & Equity	14,906	14,905	14,938	14,934	14,934	14,937	15,235	15,235	15,237	15,237

Management Representation. The financial projections included in this business plan represent, to the best of management's knowledge and belief, the results of operations, cash flow, and account balances, which would likely occur, assuming Apex Recycling, S. de R.L. de C.V., obtained investor contributions, totaling $12,000,000, by April 1, 2006, in order to facilitate the acquisition of targeted land and commencement of full business operations on that date. Management further represents that the general assumptions underlying the financial projections are reasonable and appropriate and that these projections were prepared in conformity with generally accepted accounting principles, but that they were not compiled, nor examined, by an independent public accountant and should not be viewed in that context.

References

ENDNOTES:

1 *Company, Business Opportunity, Page 4:* Morgan Stanley, “Metals and Mining: Global Insight”, at http://www.alberta-star.com/morganstanley.pdf, p. 7, citing phenomenal growth, leading to 2004 industry ROE of 20%.

2 *Company, Business Opportunity, Page 4:* Recycling International article, providing background information and energy savings statistics for metal commodities, at http://www.recyclinginternational.com/basicfacts/index.aspx.

3 *Company, Business Opportunity, Page 4:* See Business Confidant market analysis, detailed in Endnotes 12 & 13.

4 *Company, Business Opportunity, Page 4:* See Business Confidant market analysis, detailed in Endnotes 14 & 15.

5 *Metal Shredding, World-Class Metal Shredder, Page 6:* Metso parent website, see http://www.metso.com/ corporation/home_eng.nsf/FR?ReadForm&ATL=/corporation/articles_eng.nsf/WebWID/WTB-041129-2256F-7EE90.

6 *Metal Shredding, Large Private Sector Suppliers, Page 6:* Data source available by request, from Apex Recycling.

7 *Global Demand, Non-Ferrous Metals, Page 7:* See various sources — http://www.riotinto.com/library/microsites/socEnv2004/environ/237_recycle.htm (aluminum, lead, nickel zinc); http://pubs.usgs.gov/of/2001/of01-304/of01-304.pdf (manganese); http://www.recyclinginternational.com/basicfacts/index.aspx (copper); http://minerals.usgs.gov/minerals/pubs/commodity/recycle/870495.pdf (tin) — for recycling rates of non-ferrous metals.

8 *Global Demand, Global Demand Driver No. 1, Page 7:* Ibid., Recycling International, utilizing Endnote 2 source.

9 *Global Demand, Global Demand Driver No. 1, Page 7:* Article, entitled “Iron and Steel Scrap”, by Michael Fenton, at http://minerals.usgs.gov/minerals/pubs/commodity/iron_&_steel_scrap/fescrmyb04.pdf, citing energy savings.

10 *Global Demand, Competitive Comparison, Page 7:* Ibid., Endnote 5, plus Mechanical Engineering article, at http://www.memagazine.org/backissues/april00/features/infrared/infrared.html, citing 200 U.S. shredders; also, see Mexicali Foundry, owned by Grupo Simec S.A. de D.V., a mini-mill steel producer with locations in Mexico; for a list of six California competitors, see http://www.findarticles.com/p/articles/mi_m0KWH/is_10_42/ai_n6276840.

11 *Market, General Analysis, Page 8:* Ibid., Morgan Stanley, see BIR table (Endnote 12), citing 2000-2004 growth, BIR table, “Scrap Consumption, Trade and Apparent Domestic Supply”, and BIR table (Endnote 14), citing consumption and imports, by world sector; in conjunction with Bureau of International Recycling ferrous and non-ferrous tables, at http://www.bir.org/pdf/wsif2005-x.pdf, detailing IISI Crude Steel Production data, for 2004-2005.

12 *Market, Market Segmentation and Target Market Needs, Page 8:* Discoverable, from Endnote 11 data sources.

13 *Market, Market Segmentation and Target Market Needs, Page 8:* Bureau of International Recycling, citing world steel production and scrap consumption statistics, found at http://www.bir.org/pdf/wsif2005-x.pdf, on p. 17, table entitled "Scrap: Consumption, Trade, and Apparent Domestic Supply, 2003"; then applying average price per ton, from empirical price survey conducted by Apex Recycling, for shredded steel scrap ($240/ton) then utilizing 2002-2005 scrap consumption growth rates, by country, Ibid., BIR, to extrapolate relevant markets, from 2003-2011.

14 *Market, Market Segmentation and Target Market Needs, Page 8:* Utilizing data sources cited in Endnotes 1 & 7.

15 *Market, Market Segmentation and Target Market Needs, Page 8:* Utilizing sources cited in Endnotes 1, 7 and 11, plus nine (9) additional sources, cited in the unabridged version of Business Confidant market segmentation analysis, portrayed in abridged form on Page 8, provides basis for relevant market extrapolations, from 2003 thru 2011.

16 *Risk Assessment, General Economic Outlook, Page 13:* North American Free Trade and Investment Report, at http://www.consejomexicano.org/download.php?id=65293,697,2, citing 2006 estimates of Mexico Finance Minister.

This Business Plan was prepared by:

Business Confidant

Your Business Planning Specialist

45 Ora Way, A-206, San Francisco, CA 94131

(415) 282-1044 • info@BusinessConfidant.com • www.BusinessConfidant.com