

Soft Offer Iron Ore

COMMODITY: Iron Ore 64.5 Fe (can be blended to any specification 63.0+ Fe)
ORIGIN: Mexico (Loading Port: Guaymas)
QUANTITY: Min. 150,000 MT/month - Max. 4,000,000+ MT/month
PRICE: Quoted CIP or Ex Works upon request / must provide quantity & destination
PAYMENT TERMS: The iron ore is offered under CIP or Ex Works basis.

In 2005, NSMC (Network Scrap Metal Corporation) was approached to review the port limitations of Brazil and were actively pursuing port developments for Malaysia iron ore mines. It was clearly determined that there would be a shortfall of iron ore in the market beginning approximately in 2007 and Brazil would not be able to increase its production to meet those levels. A friend of the mine owner who was an executive at Boeing had just returned from a trip to Mexico and mentioned that the iron ore mines in Mexico would like for NSMC to invest in their development, which NSMC actively pursued and started development of the infrastructure.

Having acquired 8 mines under joint development with an additional 8 mines on standby, each mine has the capacity of delivering 250,000 MT/month. NSMC has available additional crushers positioned by the manufacturer for a rapid placement within any of the mines to allow them to control the specific quantity for mixing large volumes of ore seeing as each mine has different specification.

It was pointless to acquire mines unless there was the means upon which to ship the ore. NSMC has worked closely with the government of Mexico to develop four ports which would facilitate the means to ship over 20,000,000 MT/month. They have also set up mixing areas that would allow them to blend the ore to meet exact specification requirements from any buyer. In addition, NSMC has acquired the means to process the ore into any of the three normal usages of iron ore known as sinter feed fines, lump and pellet.

Since most buyers have issues regarding the proof of product, we have provided the following photos and test results from parts of the operations. Please note that we have not disclosed all of the operations and will not do so until the client has met its fiduciary responsibility under contract. Once the client meets their fiduciary obligation or has provided deposit of one month shipment value (deposit via TT or DLC payable 100% against OBOL, SGS, PL), NSMC will personally provide full site visits and allow samples without hesitation.

TERMS AND PROCEDURES:

All orders must be accompanied by a completed Letter of Intent (LOI) template

We offer three contract types:

- A. Annual Contract
- B. Spot Contract
- C. Revolving Spot Contract (revolving Spots with price locked in for term)

with the following payment terms:

- 1)** 100% Letter of Credit. Payable on demand against Signed Commercial Invoice, SGS [Q,Q, non-radiation], Packing Slip and Ocean Bill of Lading with a one-time LC processing fee of 2% of the first month's LC value within 5 days of contract signing. The seller does not use an advising bank. PB is 2% of monthly shipping value, corporate PB until LC verifies, then is replaced with a bank bond for the PB.
- 2)** Finance Contract. No LC necessary. Qualify for a Finance Contract with your creditworthiness. Loan origination fee applies: Total volume of contract x Price per MT x 0.5%
 - must provide 3 current trade references for verification
 - full banking disclosure to confirm financial capability
- 3)** URC522 Documentary Collection Bank-to-Bank exchange. ICC Uniform Rules for Collection - ICC Publication 522.

Note: - Clients can choose to make due through our disbursing attorney at Law Trust (**ESCROW**) Account - IOLTA account. The Law Firm registered as a Money Services Business (MSB) with the U.S. Department of Treasury's Financial Crimes Enforcement Network (FinCEN), and regulated under the Internal Revenue Service (IRS), compliance under the Bank Secrecy Act, the Federal Bureau of Investigation (FBI) and the Department of Homeland Security (DHS).

PROOF OF PRODUCT TERMS:

NSMC shall provide proof of product by means of an on-site inspection of the material sold under any of its contracts provided that:

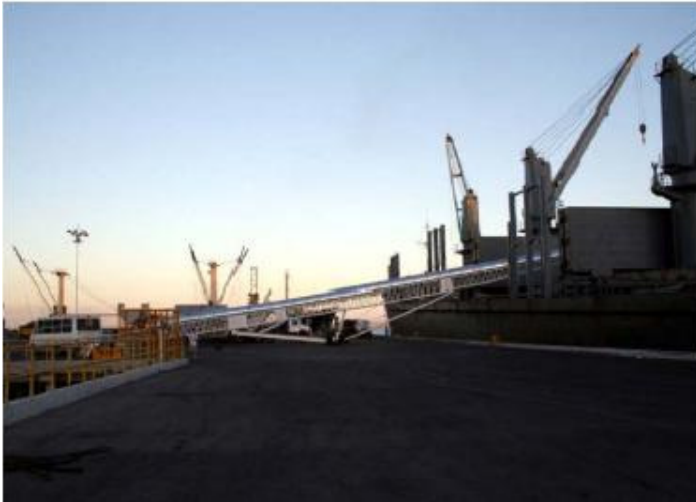
- The buyer has made their deposit in clean and clear funds into the account of NSMC designated by any of its properly countersigned contracts along with its term Letter of Credit, and;
- The Buyer provides copies of all attending parties' passports within 72 hours from signature of contract, and;
- The country of loading permits such visitation of each party whose passport has been submitted with the express understanding that NSMC shall not be held liable under any circumstances as a result from any constraint, delay, condition or rejection, and;
- The Buyer shall pay for any and all costs incurred for such on-site inspection no matter its origin to be paid immediately upon presentation of invoice, and;
- Should the Buyer reject any material offered by NSMC, then NSMC reserves the right to show additional material from any other site it deems appropriate until such time as the material is deemed acceptable by the Buyer, but limited to a maximum of the sites currently available to NSMC without incurring breach therein of any contract entered into between the Buyer and NSMC.
- The Buyer may withhold any Proof of Product and On-Site Inspection during the term of any NSMC contract, but such inspection shall be exercised only one time during the course of any NSMC contract without express written agreement by both parties.
- These terms shall not be applicable for any NSMC contract defined as a Spot Contract or contract lasting in duration for less than three (3) calendar months.
- Should the buyer demand SGS as Proof of Product, Buyer shall place USD 6.00/MTW of their total planned order into NSMC's account upon the request to pay for such inspection, and such report will be sent directly to the Buyer upon its completion by SGS.

ADDITIONAL NOTES:

- SGS Report is not to be considered as “condition of payment” or “proof of product” with any transaction. Buyer will receive full SGS report directly from SGS upon loading of cargo.
- Broker circumvention is NOT tolerated in any way by NSMC. If we receive direct communication from a broker or potential buyer, we will not proceed with negotiations and/or contract issuance until all referring parties are properly identified for the purpose and recognition of intermediary commissions.
- NSMC will negotiate new terms of sale after signing of contract and performance by the seller. NSMC uses private shipping and has extremely high security methods deployed (especially given recent events of hijackings) therefore any demands for Q88, ship registry documents, etc. will not be provided until the buyer’s fiduciary obligation has been met. NSMC prefer to give our clients above satisfactory supply for long term business development, but we also cannot satisfy buyer paranoia at the expense of the lives of the crews on-board the shipping vessels. These things will not resolve buyer issues and our experience has shown that clients who continuously want “something more” before payment end up wanting more and more yet never pay for their goods.











Reporte concentrado de resultados de Mineral de Hierro mina Andrea

		INSTITUTO DE GEOLOGIA DE LA UNAM	SGS de México S.A. de C.V.	ERSA GLOBAL MEX.
DESCRIPCION	FE total	% 70,78	69,17	69,88
	Si O2	% 1,97	2	2,2
	Ti O2	% 0,22	N/R	0,19
	Al2 O3	% 0,06	0,25	0,18
	Mn O	% 0,11	N/R	0,09
	Mg O	% 0,365	N/R	0,44
	Ca O	% 0,085	N/R	0,09
	Na2 O	% 0,025	N/R	0
	K2 O	% 0,01	N/R	0,005
	P2 O5	% N/R	4,7	0,04
	P	% 0,011	N/R	
	S	% <0,01	<0,01	0,024



Altamira, Tamps., March 15th, 2007.

ANALYSIS REPORT

SGS MEXICO REF : M-5XXXX/07
DESCRIPTION OF PARCEL : ONE SAMPLE OF IRON ORE IN BULK
PER INSTRUCTIONS OF : XXXXXXXXXXXXXXXXXXXXXXXX - MEXICO

We hereby certify that in compliance with the instructions received from our principal, Mr. XXXXXXXXXXXXX, we delivered the sample to our SGS LAKEFIELD MINERALS LAB IN CANADA for the analysis of the above sample and for which we report the following:

ANALYSIS

According to the report CA09305-MAR07 dated on March 11th, 2007, the results obtained were as follows:

DESCRIPTION	Fe %	SiO2 %	Al2O3 %	P2O5 ppm	S %
Iron Ore Fines	69.17	2.00	0.25	4.70	<0.01

REMARK: The sample analyzed was received at our facilities.

This report reflects the findings determined at time and place of our intervention only.

Elaborated by: Felipe Cruz Villasana

Authorized by: Hugo Mujica Sanchez

SPECIFICATIONS:

A. Chemical Composition (on dry basis, percentage by weight)

Guaranteed

Fe (Fe_2O_3) 64.50% basis, 63.5% below rejection

SiO₂ 1.9% Max

TiO₂ 0.0022% Max

Al₂O₃ 0.06% Max

MnO 0.011% Max

MgO 0.365% Max

Na₂O 0.025% Max

K₂O 0.01% Max

P₂O₅ 0.04% Max

P 0.0011% Max

S 0.001% Max

CaO 0.085% Max

B. Moisture Content (Free moisture loss at 105 degrees centigrade)

Guaranteed Maximum 8.00% Max

C. Physical Specification (Natural Basis): 10 mm nominal

Fines: or as agreed to in the contract

Guaranteed *Below 10 mm- 90% min. as a load basis set by Seller*