

Mining Sector  
Core activities: Exploration  
Core area of activity: Spain  
Listing: TSX Venture (SRW.V)

## Solid Resources



*Solid Resources has a promising early-stage tantalum-tin-rare metals project in an accessible region of northwestern Spain where it expects to have a NI 43-101-compliant resource estimate shortly*

### **Executive Summary**

For the full report please visit:

<http://www.ObjectiveCapital.co.uk/solidresources.pdf>

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# Initiation Report

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I certify that this report represents my own opinions.

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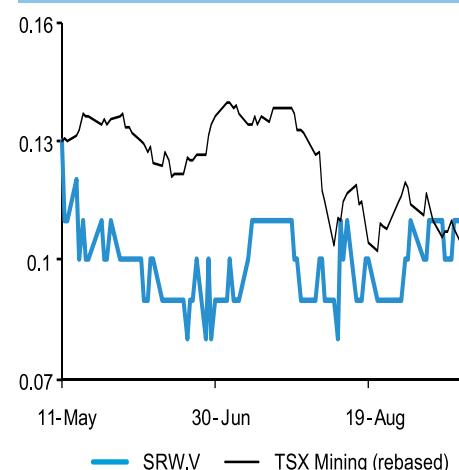
## Key Points

27 Sep 2011  
Price: C\$0.09

**Solid Resources has a promising early-stage tantalum-tin-rare metals project in an accessible region of northwestern Spain. The company has completed a 2011 drill programme, drilling two mineralised zones, and expects to complete a NI 43-101-compliant resource estimate in October, and achieve quick production thereafter.**

- The Doade-Presqueiras property is Solid's flagship project**  
Solid's management is focused on exploration and development of its 100-percent-owned Doade-Presqueiras property in northwestern Spain. The company's optimism is based on historic tin mining that took place on the property and more recent drilling assays that show encouraging quantities of rare metals, notably tantalum, lithium, niobium and rubidium.
- A significant drilling programme now completed**  
Solid commenced drilling early this year at Doade-Presqueiras with the intent of completing 29 holes for 3,500 metres. The drilling was to target a northern zone with 16 infill holes, with 13 holes planned for the southern portion of the property. This programme was subsequently increased to 31 holes based on an unexpected and highly encouraging assay obtained from the northern zone. Metallurgical work is currently under way and should be complete in November.
- Assays to date have returned significant values of tantalum, tin and rare metals**  
Solid now has assays for 18 holes drilled this year into the northern mineralised zone at Doade-Presqueiras, and for 13 holes targeting the southern mineralised zone. Drilling this year suggests the deposit is considerably larger than previously believed. Assays have been significantly higher than in earlier drilling. Local values within the north zone range as high as 207 parts per million (ppm) tantalum, with potential continuity between all areas and with thicknesses of up to 11.5 metres. High-grade mineralisation in the most southern zone, known as Taboazas, has averaged 256 ppm tantalum, 1,216 ppm tin, 0.98% lithium and 167 ppm niobium.
- Tantalum is the emerging story at Doade-Presqueiras**  
Tantalum is a strategic metal, vital for the manufacture of most electronic devices, such as capacitors, cellular telephones, and computers, and without a viable substitute. A substantial proportion of global supply comes from politically troubled areas and a supply shortfall has sparked a significant price increase recently. Development of a "conflict-free" mine in Spain could ease concerns over the source of supplies – particularly in the consumer electronics industry.
- Solid also has an early stage copper-gold prospect under option in Peru**  
Last year, Solid acquired an option to earn a 100-percent interest in an early stage copper and gold prospect in northwestern Peru. Grab samples have returned anomalous values of gold and copper, ranging as high as 30 grammes of gold per tonne and 1.0 percent copper.
- Solid has recently completed a C\$1m financing to further its exploration in Spain and Peru**  
Solid's management has successfully raised C\$1m through a private placement of 10 million shares at C\$0.10. Further, the company has a considerable quantity of options and warrants outstanding that could provide several million dollars in a rising market.
- Valuation of Solid yields a base-case valuation of C\$0.21 per share**  
Our assessment of Solid Resources and its Doade-Presqueiras project, based on reasonable probabilities of exploration success, yields a base-case valuation of C\$0.21. Assuming success at all stages of future exploration and development, our assessment would increase to C\$0.39, and with more optimistic assumptions, to C\$0.83.

Price chart (C\$)



### Value of equity

Expected Value	US\$19.7m
<b>Value per share</b>	<b>C\$0.21</b>
Optimistic Scenario	US\$42.3m
<b>Value per share</b>	<b>C\$0.46</b>

### Company details

Quote	
Shares	
- TSX Venture	SRW.V
- OTC QX	SLDRF.OTCQX
- Frankfurt	YRS.F
Hi-Lo last 12-mos. (C\$)	0.24 - 0.06
Shares issued (m)	93.9
Fully diluted (m)	147.3
Market Cap'n (C\$m)	10.6
Website:	<a href="http://www.solidresources.com">www.solidresources.com</a>

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## Overview

Solid Resources Inc is a Canadian junior mineral exploration company listed on the TSX Venture Exchange, symbol SRW, on the OTCQX under the symbol SLDRF, and on the Frankfurt Exchange, symbol YRS. The company was incorporated more than 20 years ago, but has been under current management for approximately one year. The company has an emerging tin and rare metals project in northwestern Spain that has become its flagship project, and a copper-gold prospect in northwestern Peru.

### The Doade-Presqueiras project tops Solid's priority list

Solid first acquired the Doade-Presqueiras project in the early 2000's under previous management and in 2003 the company completed its initial drill programme, followed by a second programme in 2005. The results of these two programmes were encouraging.

In the northern zone, assays of tin averaged 491 parts per million (0.049%) and ranged as high as 1,141 parts per million (0.114%). Tantalum pentoxide ( $Ta_2O_5$ ) assays averaged 79 parts per million, with local values as high as 267 parts per million, while lithium oxide assays averaged 0.80% and reached as high as 2.0%. The drilling encountered significant widths of mineralisation, reaching 15.2 metres in places. Due to the shallow nature of the mineralisation, the North Zone is believed favourable for open pit mining.

Drilling in the southern portion of the property also encountered mineralisation over significant widths of up to 10.8 metres. Tin assays averaged 924 parts per million (0.092%) and tantalum pentoxide ( $Ta_2O_5$ ) values averaged 267 parts per million. Significant lithium oxide grades were obtained as well, averaging 0.72%. Because of its deeper nature, the mineralisation in the southern zone must be accessed by underground mining.

### A third phase of drilling was completed in 2011

Solid's current management has made Doade-Presqueiras a priority and the company commenced a third drilling programme on the property early this year, wrapping up the work this summer. Eighteen infill holes targeted the northern area, and 13 holes were completed in the southern zone.

### Doade-Presqueiras property



Source: Solid Resources

The purpose of the drill programme is to prove the continuity of the mineralised pegmatite dykes, leading to a NI 43-101-compliant resource calculation by late fall of 2011.

Assays from 18 holes into the North Zone have been received. These tests have averaged 586 parts per million (0.059%) of tin, 93 parts per million of tantalum pentoxide ( $Ta_2O_5$ ), 84 parts per million of niobium pentoxide ( $Nb_2O_5$ ), 801 parts per million of rubidium (Rb) and a lithium oxide ( $Li_2O$ ) content of 0.31%. (The 2003 testing did not assay for rubidium.)

Assays from the southern Taboazas zone have been received. These tests have averaged 649 parts per million (0.064%) of tin, 145 parts per million of tantalum pentoxide ( $Ta_2O_5$ ), a lithium oxide ( $Li_2O$ ) content of 0.77%, 109 parts per million of niobium pentoxide ( $Nb_2O_5$ ) and 848 parts per million of rubidium (Rb).

Localised values were particularly high in one hole, averaging over 2.0% lithium oxide, 2,350 parts per million of tin, 183 parts per million of tantalum and 143 parts per million of niobium pentoxide. These elevated values occurred in a previously unidentified extension of the main zone, prompting management to drill two further holes into the area.

### **Recent assays and price shifts have transformed Doarde-Presqueiras into a tantalum play**

When first envisaged, Doarde-Presqueiras was considered primarily a tin project, although Solid's first drill programme produced significant rare metals assays. Since then, drilling, supply concerns and recent price shifts have transformed the project into a tantalum-dominated rare metals-tin project.

The demand for tantalum is especially strong because of its strategic importance. Tantalum is a metal of vital importance in the electronics industry, used to manufacture capacitors, and high-tech equipment including computers, cell phones, and flat screen televisions. Tantalum is also vital for the manufacture of semiconductors and in the nanotechnology sector.

Traditionally, a substantial proportion of global supply has been sourced from politically troubled areas. Recent legislation has embargoed supply from certain areas and the resulting supply shortfall has sparked a significant price increase. As a result, the development of a "conflict-free" source of tantalum, tin and other rare metals in Spain would be welcomed.

### **Solid has also commenced work on a copper-gold prospect in Peru**

In 2010, Solid acquired an option on a 1,000-hectare property in northwestern Peru that is favourable for copper and gold. Solid can acquire the property by making staged payments of US\$0.5m before the end of 2012. The company has made all required payments to date.

Forty grab samples were collected over the previous two years, within a structural belt approximately 1.5 kilometres long on the property. These tests returned anomalous values of gold and copper, with gold values ranging from 0.05 grammes to 30 grammes per tonne, and copper values ranging from 0.1% to 1.0%.

The assays defined several broad areas of gold and base metal anomalies. Further, small-scale hand mining has been carried out in the past by local prospectors. No drilling has been reported on this property to date. Modern exploration on the Ecuadorian side of the border has recently delineated a number of world-class gold and copper deposits.

Solid is planning a scout drilling programme to collect a minimum of 500 metres of core.

# Valuation

## Our valuation approach

We have valued Solid Resources by assessing the economic potential of the company's flagship project, the Doade-Presqueiras tantalum-tin-rare metals project in northwestern Spain after accounting for:

- the economics of mineral extraction operations by way of tax, operating costs etc;
- the probability-adjusted potential resource by way of classification and size; and
- the probability of production, after taking account of geological, social and regulatory issues.

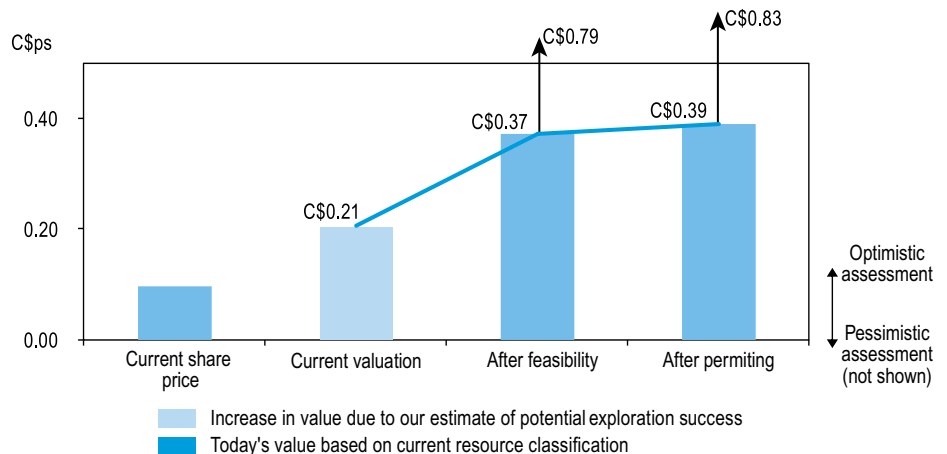
Our assessment depends on commodity prices, both prices prevailing when extraction occurs, and the management's operational response to them. From a valuation perspective, we take account of management's ability to "mothball" operations when prices are below the marginal cost of extraction.

This creates "optionality" – something that traditional NPV fails to capture. This can be understood by thinking of NPV as assuming that positive and negative deviations from our mid-case have a similar likelihood of occurring and hence balance each other. In the resource sector, by contrast, the downside is capped at the cost of "mothballing" the operation.

We capture this by valuing each year's production as an option, assuming that prices revert to mean over the long run – i.e., the mine will only be operated if the commodity price is above the extraction cost. This means that we value the probability that the price is above the extraction cost, rather than the discounted value of the cash flow using the mid-case of the commodity price.

In valuing the economic potential of resource projects, we assume that while commodity prices are volatile they revert to an inflation-adjusted, long-run mean. For example, tin historically trades at US\$11.50 per pound in current dollars, with deviations from mean correcting over 12.0 years with a volatility of 19 percent.

## What Solid Resources could be worth - now and in the future



Source: Objective Capital

## Fair value summary (US\$m)

Scenario	Base	Pessimistic	Optimistic
Property portfolio			
– Doade-Presqueiras Project	29.1	(1.0)	64.4
– other	0.5	0.5	0.5
Total	29.6	(0.5)	64.9
Less: overhead	7.0	7.0	7.0
<b>Expected value of portfolio</b>	<b>22.6</b>	<b>(7.5)</b>	<b>57.9</b>
Add: other investments	1.1	1.1	1.1
Add: starting cash + new funds	1.1	1.1	1.1
Total current value for firm	24.8	(5.3)	60.0
Less: bank & other debt	0.0	0.0	0.0
Total value to equity claims	24.8	(5.3)	60.0
Less: warrants and options	5.0	0.0	17.7
Ordinary equity holders	19.7	(5.3)	42.3
Value per share (US\$)	<b>0.21</b>	<b>(0.06)</b>	<b>0.46</b>
Value per share (C\$)	<b>0.21</b>	<b>(0.06)</b>	<b>0.46</b>

## Expected value of Solid Resources

Scenario	Risked	Doade-	SRW	Value per
	resources	Presqueiras	Valuation	share
	(m tonnes)	property value	(US\$m)	(C\$)
<b>Base case outlook</b>	<b>2.8</b>	<b>29.1</b>	<b>19.3</b>	<b>0.21</b>
<b>Value for scenarios of further exploration success</b>				
Full proved up	7.2	106.7	68.3	0.73
Optimistic outlook	4.8	64.4	41.8	0.45
Pessimistic outlook	0.8	(1.0)	(5.8)	(0.06)
<b>Value with no further exploration success</b>				
Current resource estimate	0.0	(1.0)	(5.8)	(0.06)

### Notes:

- 'fully proven up' scenario assumes that current mineable resource estimates are upgraded to 'Proven' status
- for further details see Doade-Presqueiras property section

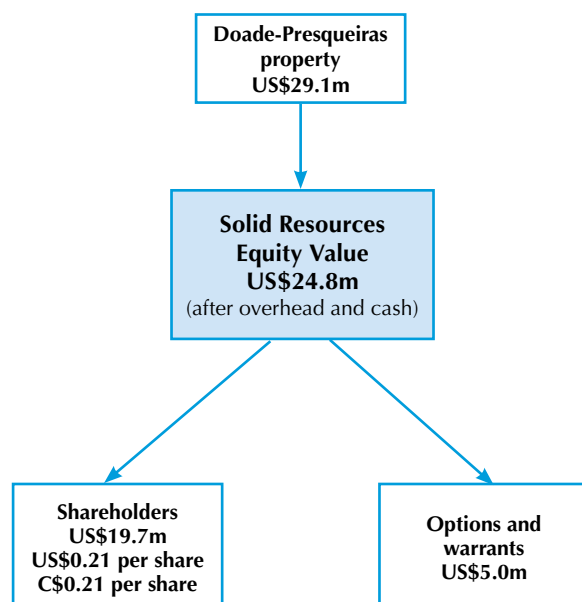
## Sensitivity to market assumption on...

Long run real tantalum price (US\$/lb)	80	2	12	22	32
Value (C\$/share)	0.14	0.17	0.21	0.24	0.27
Change in value (%)	-32%	-16%		+16%	+32%
Time for tantalum price to revert to mean (years)	1	2	3	4	5
Value (C\$/share)	0.16	0.21	0.27	0.34	0.43
Change in value (%)	-25%		+30%	+66%	+108%
Volatility of tantalum price (%)	90%	95%	100%	105%	110%
Value (C\$/share)	0.20	0.21	0.22	0.23	0.24
Change in value (%)	-4%		+5%	+10%	+15%
Change in interest rate (%)	-1.0%	-0.5%	0.0%	+0.5%	+1.0%
Value (C\$/share)	0.25	0.23	0.21	0.19	0.17
Change in value (%)	+22%	+11%		-10%	-20%
Sovereign risk premium (%)	0.0%	1.0%	2.0%	3.0%	4.0%
Value (C\$/share)	0.21	0.17	0.13	0.10	0.07
Change in value (%)		-20%	-37%	-53%	-66%

## Sensitivity to operating assumption on ...

Change in metal recovery rate (%)	60%	65%	70%	75%	80%
Value (C\$/share)	0.07	0.14	0.21	0.27	0.34
Change in value (%)	-66%	-33%		+33%	+66%
Operating Costs (US\$ per milled tonne)	14.25	15.00	15.75	16.50	17.25
Value (C\$/share)	0.23	0.21	0.19	0.17	0.15
Change in value (%)	+10%		-10%	-19%	-29%
Increase in Capital Cost (%)	+0%	+10%	+20%	+30%	+40%
Value (C\$/share)	0.21	0.19	0.18	0.16	0.15
Change in value (%)		-7%	-14%	-22%	-29%

## Components of Solid Resources' entity value



## Doade-Presqueiras Project valuation (US\$m)

Scenarios for exploration success	Base	Optimistic	Pessimistic
<b>Net value of production</b>	<b>265.0</b>	265.0	265.0
Expected mining success*	35%	60%	10%
<b>Expected net value of production</b>	<b>92.7</b>	159.0	26.5
Add: tax shield on depreciation charge	16.2	16.2	16.2
Less: development & operational capex	52.4	52.4	52.4
<b>Value of mining operations</b>	<b>56.6</b>	122.8	0.0
Probability of putting into production **	53%	53%	53%
<b>Expected value of deposit</b>	<b>30.1</b>	65.4	0.0
Less:			
- expect pre-development costs***	1.0	1.0	1.0
- further exploration costs ****	—	—	—
Expected value of project	29.1	64.4	(1.0)
effective risk haircut	87%	71%	100%
Ownership	100%	100%	100%
Solid Resources' s share	29.1	64.4	(1.0)

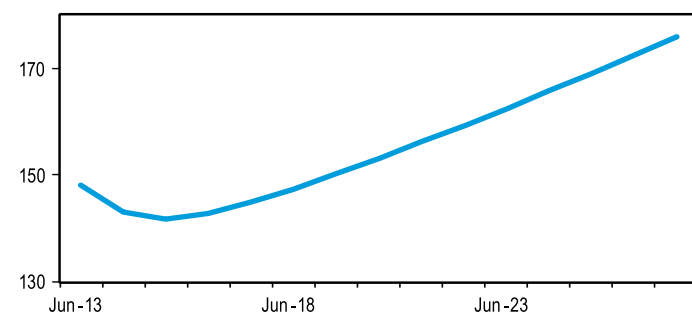
- \* portion of reserve/resource expected to be converted to an extractable resource, probability-weighted for our confidence they will be proven-up
- \*\* probability of successfully completing pre-feasibility, full feasibility and required permitting and actual construction in realistic timeframe
- \*\*\* shown as expected value of being incurred after allowing for likelihood of reaching each development stage
- \*\*\*\* present value

## Commodity assumptions

Tantalum prices are assumed to be mean reverting based on:

Historic long run real level (shown at current prices)	100.0 US\$/lb
Avg time to revert to mean	2.0 years
Volatility	95%
Inflationary price growth	2.0%

## Expected tantalum price (inflation adjusted) (US\$/lb)



## Our key assumptions

Solid's primary asset is its Doade-Presqueiras tin-rare metals project in northwestern Spain.

We model a hypothetical mine based on the following rough assumptions:

- Future delineation of 16 million tonnes of mineralisation that could translate into a mineable resource of eight million tonnes.
- A hypothetical open pit mine operating at 1,000 tonnes per day, expanding through introduction of underground mining to 1,500 tonnes per day in year four and to 2,000 tonnes per day in year seven.
- Initial capital cost of US\$35m.
- Initial operating (mining, processing and transportation) costs of US\$20 per tonne for open pit operations and US\$45 per tonne for underground mining.
- Commencement of production in Q1 2013.

## Our results

After allowing for likely economics, our analysis suggests an expected value of C\$29.1m for Solid's Doade-Presqueiras project. We further ascribe a nominal book value of C\$0.5m for the company's Peruvian gold and copper prospect.

After allowing for corporate overhead and outstanding warrants, our assessment of Solid's ordinary equity results in a base-case current valuation of C\$19.7m, or C\$0.21 per share, with an optimistic current valuation of C\$0.46 per share, assuming higher probabilities of exploration and development success beyond our hypothesised estimates.

Our analysis suggests that Solid's current value is based largely on successful development of Doade-Presqueiras, with increasing upside potential with continuing exploration as the company achieves important milestones, such as formal delineation of a resource, successful completion of a preliminary economic study and a formal feasibility study.

Should there be no further or limited exploration success, then the current level of risked resources may not be sufficient to justify continued extraction. Alternately, if all hypothesised mineralisation is ultimately converted to a mining reserve and were to be available for exploitation,, they could yield up to C\$1.36 per share.

Our base-case and optimistic outlooks, assuming continued success through permitting and construction, result in valuations of C\$0.39 and C\$0.83 per share respectively. Delineation of resources on the company's Peruvian property could add further to our modelled valuation of Solid.

Solid Resources' Doade-Presqueiras project is still at an early stage of exploration and development and therefore carries a high risk that adverse developments may render the project uneconomic. The ability of Solid to economically exploit the mineralisation believed present on the property depends on several key factors, including...

**...continuing "scarcity" of rare metals**

Future profitability depends on continuing price increases for rare metals, which will require demand to continue to outstrip supply. It must be noted that many rival companies have taken up the challenge of locating, delineating and developing rare metals deposits and one large discovery could alter the currently favourable price regime considerably.

**...the company's ability to adequately delineate a rare metals deposit**

Success depends on Solid's continuing exploration programme adequately identifying an economically viable deposit at Doade-Presqueiras, which currently does not have a resource outlined to NI 43-101 standards.

**...the company's ability to design, construct and operate an economic discovery**

Assuming exploration success, Solid's success would then depend on the company's ability to envisage, engineer and construct a mine at Doade-Presqueiras within stringent cost and time constraints. Unforeseen developments could adversely impact the company's plan. These could include fuel and commodity costs rising faster than expected, adverse interest rate or exchange rate moves, or unexpected engineering and logistical issues.

**...the company's dependence on key personnel**

The success of Solid Resources will depend heavily upon the company being able to hire and keep key personnel acquainted with mining issues in Spain and possessing the specialised knowledge required to exploit a tantalum, tin and rare metals deposit.

**...the company satisfactorily meeting environmental and permitting regulations**

Environmental regulations related to mining could pose unforeseen operational and

# Financials

Profit and Loss					
Year ending December (C\$m)	2010A	2011E	2012E	2013E	2014E
<b>Revenues</b>	—	—	—	9.5	22.2
COGS	—	—	—	(3.3)	(8.0)
Gross profits	—	—	—	6.2	14.2
Administrative Costs	(2.5)	(1.5)	(1.5)	(1.6)	(1.6)
<b>EBITDA</b>	<b>(2.5)</b>	<b>(1.5)</b>	<b>(1.5)</b>	<b>4.6</b>	<b>12.6</b>
Depreciation & amortisation	(0.0)	—	—	(1.6)	(3.7)
EBIT	(6.0)	(1.5)	(1.5)	3.0	8.9
Interest	—	—	0.4	0.3	1.4
EBT	(6.0)	(1.5)	(1.2)	3.3	10.3
Tax paid	—	—	0.3	(1.0)	(3.1)
<b>Earnings</b>	<b>(6.0)</b>	<b>(1.5)</b>	<b>(0.8)</b>	<b>2.3</b>	<b>7.2</b>
Dividends	—	—	—	—	—
<b>Retained earnings</b>	<b>(6.0)</b>	<b>(1.5)</b>	<b>(0.8)</b>	<b>2.3</b>	<b>7.2</b>

Cashflow					
Year ending December (C\$m)	2010A	2011E	2012E	2013E	2014E
EBIT + stock based comp.	(6.0)	(2.6)	(1.5)	3.0	8.9
Depreciation	0.0	—	—	1.6	3.7
Stock-based Compensation	1.4	1.1	—	—	—
Gains, Writedowns, Recoverables	3.7	—	—	—	—
(Increase) decrease in receivables	0.0	—	—	(1.4)	(1.9)
(Increase) decrease in inventory	(0.0)	—	—	(0.4)	(0.6)
Increase (decrease) in payables	(0.2)	—	—	0.5	0.7
<b>Net cash from Ops</b>	<b>(1.1)</b>	<b>(1.5)</b>	<b>(1.5)</b>	<b>3.3</b>	<b>10.8</b>
Tax paid	—	—	0.3	(1.0)	(3.1)
Dividends	—	—	—	—	—
Net interest recieved (paid)	—	—	0.4	0.3	1.4
New equity	1.8	2.1	—	—	—
New (deposits) borrowings	—	—	—	—	—
Capital expenditure	(0.3)	(1.5)	(3.0)	(3.0)	(0.3)
<b>Net cash from financing</b>	<b>1.5</b>	<b>0.6</b>	<b>(2.3)</b>	<b>(3.7)</b>	<b>(2.0)</b>
<b>Net increase (decrease) in cash</b>	<b>0.5</b>	<b>(0.9)</b>	<b>(3.8)</b>	<b>(0.4)</b>	<b>8.9</b>

Balance sheet					
Year ending December (C\$m)	2010A	2011E	2012E	2013E	2014E
Fixed assets at NAV	3.1	4.6	7.6	9.0	5.6
Cash	1.0	0.1	(3.7)	(4.2)	4.7
Receivables, Recoverables	0.0	0.0	0.0	1.5	3.4
Inventory	0.0	0.0	0.0	0.4	1.0
<i>Less Payables</i>	(0.1)	(0.1)	(0.1)	(0.6)	(1.3)
<b>Net current assets</b>	<b>0.9</b>	<b>0.0</b>	<b>(3.8)</b>	<b>(2.9)</b>	<b>7.8</b>
Less loans	—	—	—	—	—
Less Future Tax Liability	—	—	—	—	—
<b>Capital employed</b>	<b>4.0</b>	<b>4.6</b>	<b>3.8</b>	<b>6.2</b>	<b>13.4</b>
<i>Represented by</i>					
Shares in issue	22.0	24.1	24.1	24.1	24.1
Add retained profit	—	—	—	—	—
Prior periods	(12.0)	(18.0)	(19.5)	(20.3)	(18.0)
This period	(6.0)	(1.5)	(0.8)	2.3	7.2
<b>Shareholders' funds</b>	<b>4.1</b>	<b>4.7</b>	<b>3.8</b>	<b>6.2</b>	<b>13.4</b>

Source: Objective Capital

### **Greg Pendura – Chief Executive Officer, President, Director**

Mr Pendura has more than 35 years of experience in founding, financing and advising emerging private and public companies. He spent 12 years in the public sector with Resin Systems Inc. An original founder of the company, he retired in 2007 as President, CEO and Chairman of the Board. During his tenure with Resin Systems Inc., he was instrumental in the company achieving a market capitalisation of over C\$200m. Mr Pendura successfully raised over C\$100m for Resin during the company's formative years.

Since 2007 Mr Pendura has been involved in the precious and rare metal mining sector as a management consultant and Director of Anglo Swiss Resources. He also helped the company to raise capital and gain exposure in the marketplace. The company has now entered a formative drilling and explorative development stage of qualifying and quantifying the resources of its properties.

### **Rick Gliege – Chief Operating Officer, Chief Financial Officer, Director**

Mr Gliege brings to Solid Resources valuable knowledge in strategic planning, operations, marketing and development and the raising of capital through his international connections, through over 20 years of leadership and advisory experience as a senior manager in both the public and private sectors. Working as a provincial manager with one of North America's largest insurance companies, Mr Gliege was accountable for the design, implementation and management of two new divisions, which were revolutionary to the industry. A graduate of the University of Victoria and a certified commercial mediator, Mr Gliege also studied business administration at Simon Fraser University, Canada.

Mr Gliege has focused his efforts in the venture capital sector since 2006. Mr Gliege was instrumental in transforming a technology company into a mining exploration operation in both eastern Canada and southern United States in his role as President. Mr Gliege also ensures the Code of Conduct, Corporate Governance framework and a comprehensive suite of Corporate Policies are protected against illegal and inappropriate behaviors, including fraud, bribery, corruption, discrimination and bullying.

### **D. Randy Hayward, B.Comm, LLB – Director**

Mr D. Randy Hayward has maintained a successful law practice in Edmonton, Alberta, Canada for 20 years. During the latter phase of his law practice, he founded and managed Canadian Dispute Resolution (Alberta) Ltd and marketed the service of mediation to the legal community and the insurance industry.

Mr Hayward also earned his Diploma in Counseling at P.D. Seminars from the Haven Institute on Gabriola Island, British Columbia, Canada. After relocating to the west coast from Edmonton, he has worked with numerous private and public companies for 15 years, being responsible for fund raising, strategic planning and

business development in various positions. Mr Hayward has been a consultant to a number of successful public companies trading on the TSX Venture Exchange, raising investment capital and working in corporate communications, business development and investor relations.

#### **Harry A. McKinders – Director**

Mr McKinders joined Solid Resources in 1995 and became a Director in 1998. He has had broad experience in the investment field and has provided consulting services to numerous public and private companies over the years. Previously, he was an account executive with Burns Brothers and Denton Ltd, which later became BMO Nesbitt Burns. Mr McKinders graduated from the Alexander Hamilton Institute's Modern Business Administration programme. He has also completed the Stock Market Institute's Technical Analysis Program and the Canadian Securities Courses I and II. Mr McKinders is a valuable member of the Solid Resources Board of Directors, advising and assisting the management and as a relationship manager between valuable investors and the company.

#### **Geological team**

##### **Tony Spat, M. SC., P. Eng., Advisory Board**

Mr. Spat has had a truly remarkable career as an international exploration geologist and engineer. Received the "Special Achievement Award" from the Prospectors and Developers Association of Canada in 2005 for the discovery of the Angostura gold-silver project in Columbia

##### **Dr. Rolf Burkhardt, PhD. Geol., Geologist**

Dr. Burkhardt as more than 40 years experience as a Geologist worldwide, has managed and supervised various successful exploration projects, speaks German, English, Spanish, Portuguese and Italian.

##### **Dr. Alfonso Gracia, PhD, Geologist, Solid Mines Espana**

Dr. Gracia has worked in geological exploration and evaluation of mining projects for 35 years, on over 100 projects in five continents, has also undertaken further studies in Business & Environmental Engineering.

##### **Dr. Peter LeCouteur, PhD, P. Eng., Geologist, Advisory Board**

Dr. LeCouteur has been involved in mineral exploration since 1967. He has been involved in the exploration of tantalum, lithium, niobium, zirconium and rare earths, gold, silver, uranium, diamonds and many more.

##### **David Henstridge, P. Geol., Advisory Board**

David brings over 37 years in the mining industry including 20 years in the management of public-listed mineral exploration companies. He has managed numerous advanced exploration projects throughout Australia, Europe, North and South America.

We are pleased to bring you this report on **Solid Resources**.



Objective was founded so that issuers can ensure that the market and their investors always have access to quality research through sponsoring indepth, proactive coverage.

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As always, I welcome your comments and feedback on our research!

Gabriel Didham, CFA  
Objective Capital

#### **Will Purcell**

Will has been involved in the resource sector for 30 years in a variety of roles. Since the late 1990s, he has been active in assessed mineral resource investment projects. Will has a B. Math degree from the University of Waterloo in Ontario.

#### **Richard Thompson**

Richard Thompson is a graduate mining engineer (Camborne) and has worked for over 40 years in the mining industry. His expertise covers mining techniques, the application of mining equipment, mine project evaluation, mining investment promotion and project management.

#### **About our relationship with Solid Resources**

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