



Pear River County, Mississippi - Clay/Topsoil/Sand Deal
Private Land Deal - Royalty Method Discounted NOI Valuation for Mining Operation

	WITH INSURANCE 2/8/2021	WITHOUT INSURANCE 2/8/2021
Average Acreage/Project	276.40	276.40
Assumed Price/Acre	\$ 69,573.08	\$ 69,573.08
Approximate Appraised Value of Mining Operation on Royalty Method - Discounted NOI	\$ 19,230,000	\$ 19,230,000
Retained %	100.00%	100.00%
Retained Value	\$ 19,230,000	\$ 19,230,000

Sources

Capital to be Raised for Investment in Land/Mining Operation

Total

	Amount Raised	Amount Raised
	\$ 4,350,000	\$ 3,375,000
	\$ 4,350,000	\$ 3,375,000

Uses

	Included in Purchase Price	Included in Purchase Price
Diligence Costs/Reimbursements	150,000	150,000
Audit Defense Insurance (3 Years)	50,000	50,000
Legal Structuring	50,000	50,000
Tax Opinion	50,000	50,000
Reserves	500,000	500,000
Working Capital	48,140	52,000
Recording Fees, Etc.	23,000	23,000
Land Trust Fee	100,000	100,000
Available Funds to Investors to Elect to Purchase Investor Liability Policy	304,500	304,500
Premium Tax on 170h Policy	24,360	-
Mining Research and Contingency	Included in Purchase Price	Included in Purchase Price
Land Purchase Price	\$ 3,100,000	\$ 3,100,000
Total Costs	\$ 4,350,000	\$ 3,375,000
Additional Working Capital	-	-

For illustrative purposes only for mechanics of preservation:

If at Investor's sole discretion, option to preserve property after holding property for a minimum 1 year and a day:

Fair Market Value of Mining Operation	\$ 19,230,000	\$ 19,230,000
Less: Estimated Residual Value of Land after Conservation Easement	(\$400,000)	(\$400,000)
Estimated FMV of Charitable Contribution Subject to 50% AGI limitation	\$ 18,830,000	\$ 18,830,000

FEDERAL TAX SAVINGS - RATES ASSUMPTIONS	39.6%	7,456,680	7,456,680
STATE TAX SAVINING - RATES ASSUMPTIONS	6%	1,129,800	1,129,800
NET TAX CASH SAVINGS FROM INVESTMENT		8,586,480	8,586,480
LESS COST OF INVESTMENTS		(4,350,000)	(3,375,000)
RETURN ON INVESTMENT IN 15-18 Months		4,236,480	5,211,480
% RETURN ON INVESTMENT IN 15-18 Months	% Return	97%	154%