November 5, 2010

Small Cap | America | Canada

DR. KALLIWODA
RESEARCH GmbH

Initiating Coverage

Buy

Target Price: USD 4.00

Industry:	Mining & Metals
Country:	Canada
Country of Operation:	USA
Website:	www.curisresources.com
No. of Shares (in Mill.)	58.4
NPV (US$ Mill.)	334.9
IRR	30%

Years of Operation:	19
Operating Days/Year	365
Total Production (klb)	1,236,149
Average Annual Production:	76 – 84 million lbs

Copper Resource (Measured + Indicated):	2.84 billion lbs
Minimum Copper Recovery:	49%
Maximum Copper Recovery:	72%
Total Copper Cutoff:	0.05%
Copper Grade	0.33%

Cash Cost:	$0.72 per lb
Pureness of produced Copper Cathodes	99.999%
Territory Size (acres)	1,342
No. of Drill Holes	811

Dr. Norbert Kalliwoda
Phone: +49 69 97 20 58 53
E-mail: nk@kalliwoda.com
www.kalliwoda.com

Curis Resources Ltd.

Project with favorable valuation and low operating costs

- Curis owns a copper deposit containing 2.8 billion pounds in Florence, Arizona. Production will start in 2012 using in-situ recovery (ISCR). The former owners, including BHP Copper, have spent over $ 100 million confirming the viability of in-situ recovery as the appropriate technology for the development of this deposit. ISCR has various environmental benefits and leads to low operating costs (estimated at USD 0.70 per lb of copper).

- Curis' management team has comprehensive experience in the mining industry and is backed by the Hunter Dickinson Inc. Group, who also holds a controlling interest in the company. Additionally, Curis works with a group of consulting firms that have many decades of experience in this industry and specifically in in-situ copper recovery (ISCR).

- Curis is undertaking a reverse takeover in order to go public. The target company will be PCI-1 Capital Corp., a Canadian company listed on the TSX Venture Exchange. The new company is going to be traded on TSX Venture Exchange within 3 days and listed on the TSX main board within 90 days after the takeover. A listing on NYSE Amex is scheduled for early 2011.

- Our peer group analysis indicates an upside potential of 150% compared to the average valuation of the peer group on a EV/lb Cu ratio basis. The companies with the highest valuation are traded at a premium of 530% EV/lb compared to Curis.

- In the base case scenario of our NPV-model (at a 7.5% discount rate) we derive at a fair value of USD 4.01, assuming a long/term copper price of USD 2.45. With the current copper price of USD 3.87, a valuation could range between USD 12.30 and USD 13.60.

Class	Millions tons	%TCu Grade	Million lb Copper
Measured	296	0,35	2.100
Indicated	133	0,28	741
M + I	429	0,33	2.841
Inferred	93	0,27	496
	Total Copper Cutoff: 0,05%		

Content

1 Executive Summary

Curis Resources Ltd. is the owner of a 2.84 billion pounds copper oxide deposit in Florence, Arizona. The company owns the surface rights and all of the mineral rights of 1,182 acres of patented land and 160 acres of state mineral leases. Curis intends to develop the project using in-situ copper recovery (ISCR). There are several reasons why ISCR is the appropriate technology for the development of Florence Project. ISCR creates low costs compared to other techniques (USD 0.72 per lb compared to a range of USD 1.00 to USD 1.20 per lb). It is an environmental friendly technology. Mineralization of the Florence Project is highly amenable to ISCR.

The former owners of the project (BHP Copper) have run several tests with positive results regarding the use of ISCR. BHP sold the project due to the low copper price in 1999 and Curis was able to purchase the surface rights and all of the mineral rights in December 2009. The Florence porphyry copper deposit contains 2.8 billion pounds of measured and indicated copper oxide resource at a 0.05 %TCu cutoff grade. The copper occurs as chrysocolla and as copper-bearing clays in veins and fracture fillings.

In-situ recovery is widely used to recover uranium and salts. While the technology is already in use for the recovery of copper, it lacks experience compared to uranium and salt recovery. BHP has successfully adopted the technology at the San Manuel operation (also in Arizona) with a production level of up to 120,000 pounds of copper per day.

For the recovery of the copper, a weak acid solution is pumped into the copper mineralization through injection wells in order to dissolve the copper from the ore. The copper bearing solution is then pumped through recovery wells to a facility where 99.999% pure copper cathodes are produced using a solvent extraction/electrowinning (SX/EW) process.

Production is going to start in 2012. At a valuation of EV/lb $0.028 Curis appears substantially undervalued compared to its peer group. The average valuation of the peer group is $0.07/lb Cu, the highest value in the peer group is $0.177/lb Cu. At the current financing round, Curis' shares have been issued at a value of USD 1.95. The base scenario in our NPV-model (copper price at USD 2.45 and a 7.5% discount rate) shows a fair value of USD 5.73. Since the company has not commenced production yet, investors bear the risk that permitting and financing have to be completed. In order to reflect this risk, we apply a 30% discount to the NPV (0.7 x 334 million NPV) to establish our fair value of US$ 4.01. The base case $ 334 million NPV will be applied following completion of the permitting and financing process. After completion of the permitting and financing process, our target price will be at USD 5.73. Until then, our target price will be at USD 4.00. Our base scenario with a NPV of USD 334 million leads to an IRR of 30%.

2 Company Profile

Curis Resources Ltd. is a Canada-based mineral exploration and development company. The company is a subsidiary of Hunter Dickinson Inc. (HDI). Hunter Dickinson owns approximately 32% (24% directly and an additional 8% indirectly through directors and employees) of Curis Resources, which holds 100% of the Florence Copper project located in Florence, Arizona. The company owns the surface rights and all of the mineral rights of 1,182 acres of patented land and 160 acres of state mineral leases.

The objective of Curis is to become a medium sized copper producer by exploiting the Florence copper resource using in-situ recovery technology and pursuing other resources that would be suitable to the same recovery process.

Curis' management team has comprehensive experience in the mining industry and receives technical, financial and administrative support through Hunter Dickinson Inc. Additionally, Curis works together with a group of consulting firms that appear to have all relevant experience in the mining business, including in in-situ copper recovery (ISCR).

Curis is undertaking a reverse takeover in order to go public. The target company will be PCI-1 Capital Corp., a Canadian company listed on the TSX Venture Exchange. The new company is going to be listed on the TSX Venture Exchange and immediately have free-trading shares for all participants in the RTO financing. The company will transition to the Toronto main board within 90 days after the takeover and trade on NYSE Amex in early 2011. As per company's statement, the number of issued and outstanding shares is estimated to be 58,417,779.

The company has raised USD 28 million of equity in a recent financing round. Capital needs until start of production will be USD 239 million. The portion of equity to be raised in the future will amount to approximately fifty percent of the initial capital or $119 million. The remainder will come from a combination of debt and copper off take agreements. As copper supplies continue to tighten and market price projections remain very positive these type of financing mechanisms are expected to be a good fit for the development of this project in the near term. This will lead to a dilution of existing shareholders.

3 Business Model and Strategy

Curis' principal asset is a copper project located in Florence, Arizona (where it got its name from). By exploiting the Florence copper resource, Curis wants to become a profitable medium sized copper producer in the near future. The previous owner of the project, BHP Copper, already identified that the technology most suitable for this project is in-situ recovery technology because Florence Project has excellent preconditions for the use of ISCR. BHP performed metallurgical/pilot plant testing with positive results indicating ISCR to be the most suitable technology for this project (only low copper prices at that time let BHP reject the project). Subsequent quarterly water monitoring following the plant testing showed a good

groundwater quality and no contamination. Low costs and protection of the environment make ISCR attractive for Florence Project.

3.1 Florence Project

Florence Project is located in Arizona between Tucson and Phoenix in an area where several copper projects are situated. The land, on which the Florence Project is located, belongs to the city of Florence.

Location of Florence Project

Source: Company

Curis owns the surface rights and all of the mineral rights of 1,182 acres of patented land. Another 160 acres owned by State Trust Lands of Arizona have been assigned to Curis as state mineral lease which expires in December 2013 and can be renewed.

Infrastructure

As many mining and ISCR projects are active in the region, the infrastructure is excellent. The project can be accessed easily by train or by car as interstate and state highways are near as well as a railroad. Exploration and mining service companies are located in Tucson and Phoenix and work force is available in the region. Infrastructure regarding power, water, communications, sewage and waste disposal and security exists.

Permits

Production permits and treatment plans for the project had been in place in 1998. Curis has to

update these permits, due to the amended development plan. As consulting firms for the permit process, Curis has chosen Brown & Caldwell and Western Cultural Resource Management. Both companies have been involved in the permit process for the Florence Copper Project for BHP.

Community

In order to gain wide support in the community of Florence, Curis started a community relations and stakeholder outreach program. The aim is to inform local and regional stakeholders and have a dialog with them to ensure that their interests are taken into account. The activities within the framework of the program include a community office in Florence, community relations staff in Florence, public open houses and technical briefings and targeted stakeholder outreach to government, community, business, non-profit and special interest groups and leaders at the local, county and state level.

Royalties

Curis has to pay a mineral royalty to the State of Arizona in a range of 2% to 8% of the gross value of the minerals produced. Two other royalties which had to be assumed when purchasing the project have to be paid by Curis to the former owners Conoco Inc. and BHP Copper Inc. The royalty payable to Conoco amounts to 2% to 3% of net returns (gross value received less all expenses incurred with respect to such minerals after they leave the property). BHP Copper receives a royalty of 2.5% of net profits (net proceeds and revenues received from the sale of product plus insurance proceeds, government grants and tax refunds, less all exploration, development and operating costs).

History

DATE	EVENT
1960's	American Smelting & Refining Co (ASARCO) undertakes early exploration
1970	Continental Oil Company (Conoco) records first copper intercepts
1972	Conoco constructs two 700' shafts and one mile of cross-cuts Test mines 50,000 tons of ore On-site metallurgical testing via milling, floatation and vat leaching plant
1992	Acquired by Magma Copper Company Prefeasibility studies to determine optimum mining method Metallurgical and materials property testing Focus shifts to ISCR production and SX-EW processing
1996	Magma acquired by BHP Copper (Florence Copper, Inc.) Geological, hydro-geological, metallurgical & hydro-chemical test work ISCR pilot test –67 injection, production & monitoring wells
1999	BHP completes Pre-Feasibility Study Measured & indicated resource (429 million tons) Permitting in place for ISCR production
1999	Project deferred due to low metal prices Property acquired by Merrill Ranch Investments LLC
2009	HDI acquires Florence Project patented land
2010	HDI acquires State mineral leases. Curis Resources Ltd. formed and senior project team assembled to advance Florence Project towards development

Source: Company

When the former owners (Conoco, Magma) evaluated the profitability of the project, it would have been uneconomic to exploit with the at that time state-of-the-art technology. BHP Copper sold the project due to the low copper price in 1999 to a real estate developer which went bankrupt a few years later. Curis' parent company Hunter Dickinson Inc. (HDI) acquired the property in 2009 from the insolvency administrator.

3.2 Copper Resources

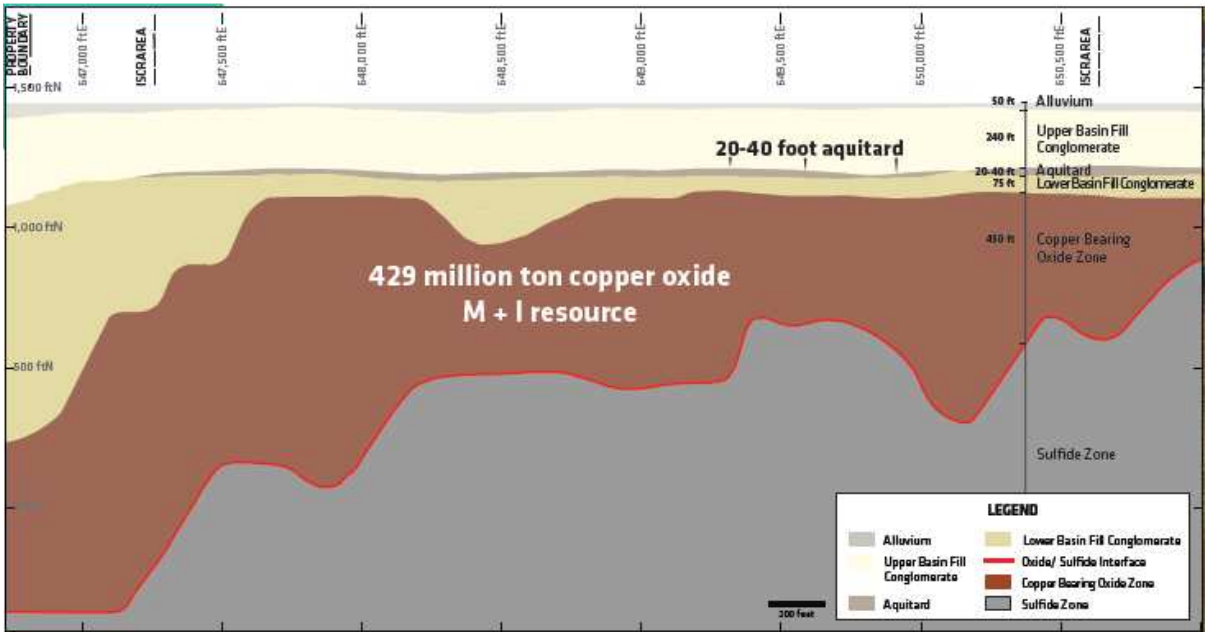
The Florence porphyry copper deposit contains 2.8 billion pounds of measured and indicated copper oxide resource at a 0.05 %TCu cutoff grade and another 496 million pounds inferred copper resources.

Class	Millions tons	%TCu Grade	Million lb Copper
Measured	296	0.35	2,100
Indicated	133	0.28	741
M + I	429	0.33	2,841
Inferred	93	0.27	496
Total Copper Cutoff: 0,05%			

Source: Company

The deposit consists of two copper bearing mineralization, an oxide zone and a sulfide zone lying one above the other, separated from each other by a transition oxidation zone. The transition between both zones is abrupt. Although the sulfide zone is bearing copper, its structure and depth make it unprofitable to mine by open-pit mining as well as by ISCR. The oxide zone has an average thickness of 400 feet (approx. 120 meters), ranging from 100 to 1,000 feet (approx. 30 to 305 meters). Above the oxide zone lie conglomerate and alluvial material that contains a clay interbed acting as aquitard.

Geological Cross Section



Source: Company

The copper occurs as chrysocolla and as copper-bearing clays in veins and fracture fillings with chrysocolla being the bigger part. This structure as well as the abrupt change from the oxide to sulfide zone and the presence of an aquitard makes the deposit amenable to the ISCR technology.

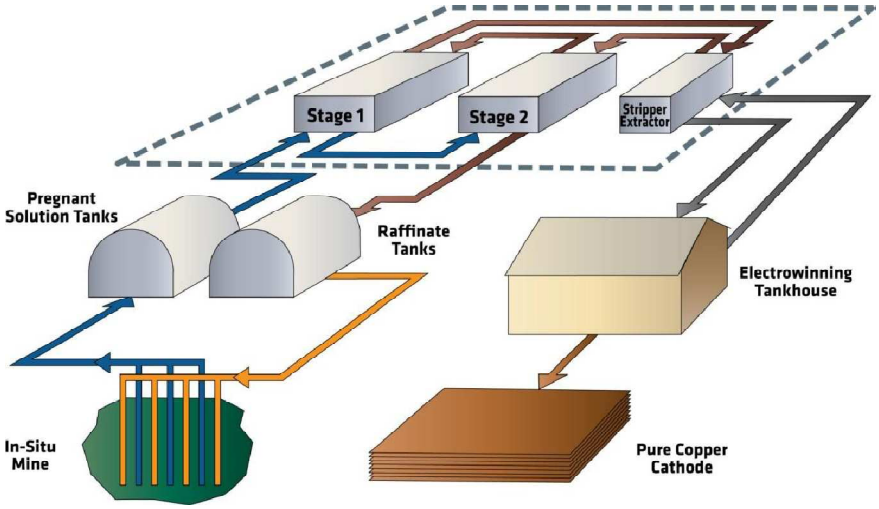
3.3 ISCR Technology

As technology for the Florence Project, Curis chose in-situ copper recovery (ISCR). In-situ recovery has been a proven technology for years in recovering metals (especially uranium) and salts. For the recovery of copper, the technology has been used and is currently used by big players like BHP and Freeport. BHP has successfully adopted the technology at the San Manuel operation (also in Arizona) with a production level of up to 120,000 pounds of copper per day (which equals 44 million pounds annually).

For the recovery of the copper, a weak acid solution is pumped into the copper mineralization through injection wells in order to dissolve the copper from the ore. The copper bearing solution is then pumped through recovery wells to a facility where 99.999% pure copper cathodes are produced using a solvent extraction/electrowinning (SX/EW) process. The

structure of the rock provides the best prerequisites for the ISCR technology. The clay layer, which acts as an aquitard, is important for the use of ISCR, avoiding the acid solution to pass into the aquifer. The fractured structure of the oxid zone enables the solution to pass through the ore and dissolve the copper.

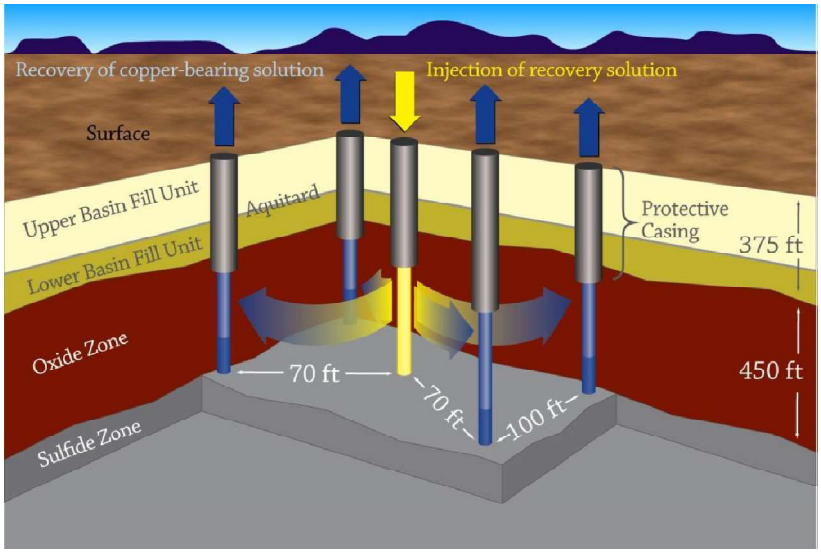
Process Overview



Source: Company

The acid solution is pumped from the wellfield distribution tank to the injection wells. The solution is pumped into the orebody and passes through the fractured mineralization, thereby dissolving the copper into the solution. Each injection well is surrounded by 4 recovery wells.

Well Field Arrangement



Source: Company

This design creates a hydrologic flow which allows pumping all of the copper bearing solution (Pregnant Leach Solution, PLS) to the in-situ wellfield advance tank and further into the PLS feed pond. The PLS passes through two extraction mixer settlers where it is mixed with an organic phase (a kerosene hosted extractant). The copper transfers to the organic

phase, and the remainder, an aqueous phase (raffinate) is pumped back to the raffinate pond and further to the wellfield distribution tank to recover more copper. The copper is then stripped from organic phase in the strip stage into a strong sulfuric acid solution suitable for electrowinning. In the electrowinning tankhouse, a current is passed from an inert anode through the solution containing the copper so that the metal is extracted as it is deposited onto the cathode in an electroplating process.

Safety

The tanks in the facility will have safety measures to prevent environmental damages. The distribution tank will have a level indicator and high level alarm. The tanks will be fitted with control valves to prevent overflow of solution and will be surrounded by a spill control area. Spillage will be captured in a lined spill sump and pumped back into the circuit. A similar system will apply at the PLS feed pond. The pond will be double-lined with an inter-liner leak detection system. Leakage will be returned into the circuit by a pumpback system.

Wells

Curis will use universal wells, which can be used as injection wells as well as recovery wells. These wells must be able to handle flow rates up to more than 60 gallons per minute (gpm, approx.) and are extremely durable (lifetime of 888 years). Injection and recovery wells are encased in a high impact, corrosive-resistant pipe. A concrete casing ranging 40 ft (approx. 12 meters) into the oxide zone also prevents the leakage of the solution.

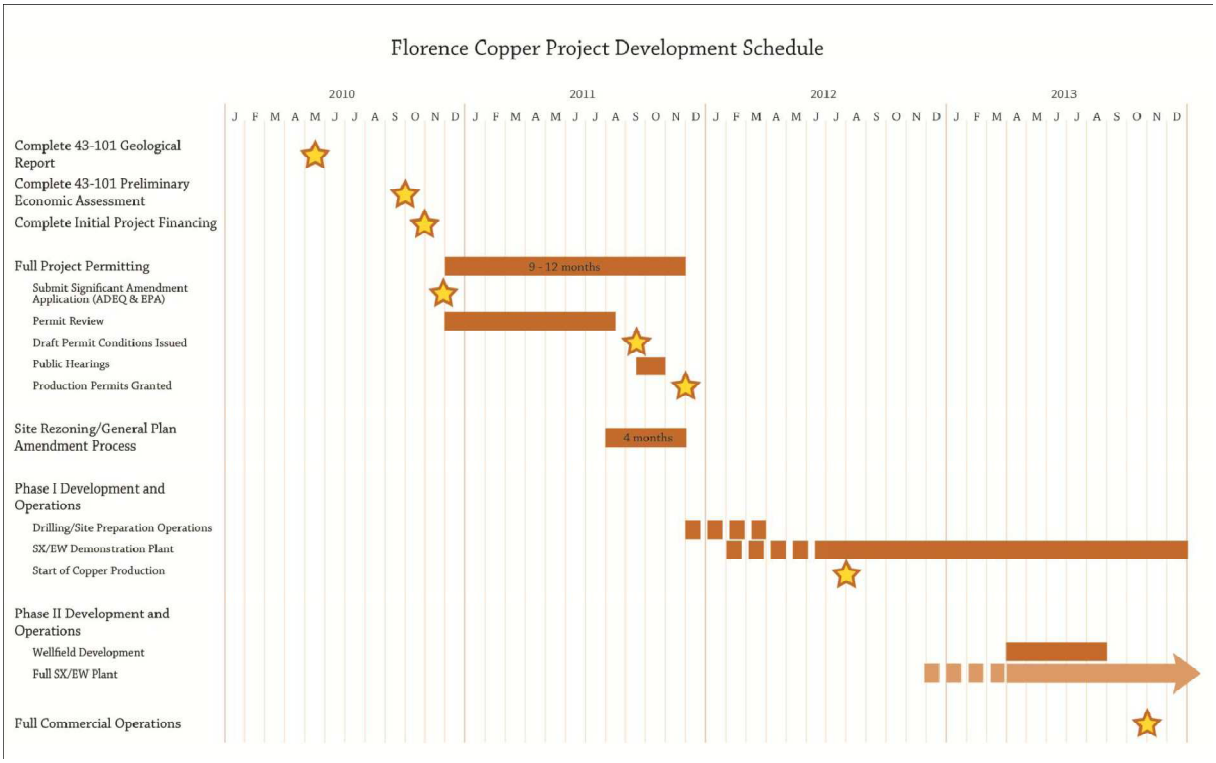
For a better understanding of the construction of injection and recovery wells see the graphs in the appendix.

Advantages

When a project is amenable to the technology, ISCR offers several advantages. No open mining is required and no rocks have to be milled. Thus, less manpower and less heavy machinery is needed which reduces the costs. Due the fact that energy supply contracts are already agreed, buying costs for the solution are the only variable costs. With the SX/EW process, 99.999% pure copper cathodes can be produced, which lowers costs for transportation and treatment.

Another advantage aside from the low costs is that ISCR is an environmentally friendly technology. The enclosed process and safety measures prevent the environment and the ground water from being polluted. In contrast to open pit mining, landscape suffers only slightly by the copper recovery. Additionally, the facilities are almost emission-free.

3.4 Timeline



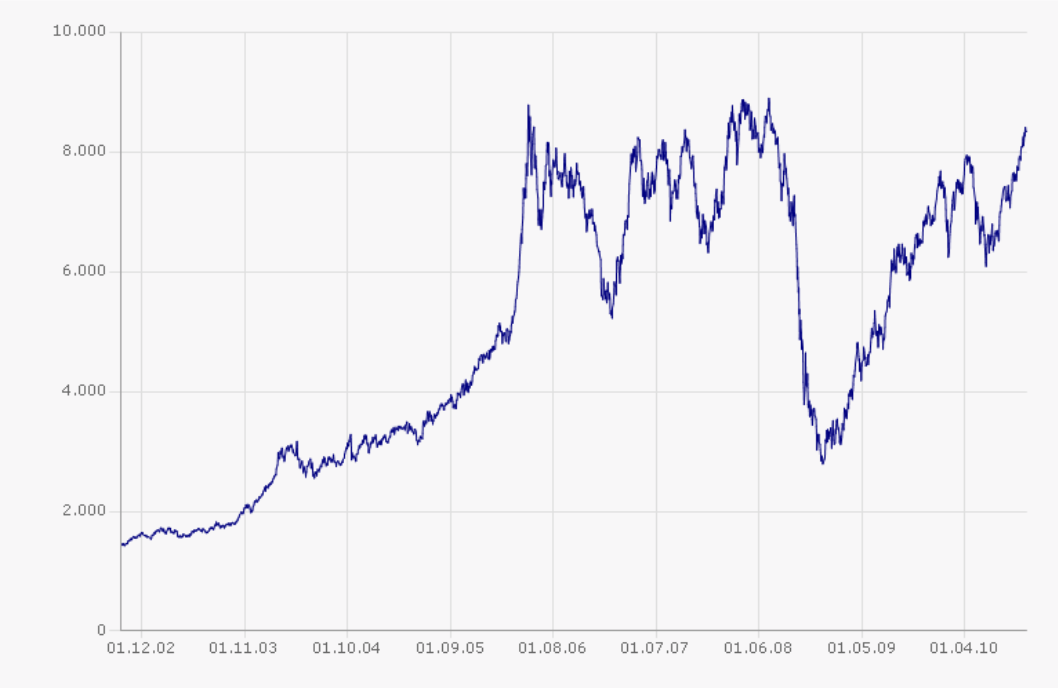
Source: Company

4 Market and Competition

4.1 Copper Market

Due to International Copper Study Group (ICSG), Worldwide production in the copper market has been slightly increasing year by year from 14,594 thousand metric tons in 2004 to 15,859 thousand metric tons in 2009. In the same period, capacity utilization of the mines decreased from 90.9 % to 81.5 %. Preliminary figures for the first half of 2010 show the same trend.

Copper Price (US$ per ton)



Source:www.finanzen.net/rohstoffe/kupferpreis/Chart

The current copper price at New York Commodities Exchange (COMEX) is USD 3.87 per lb which is not far away from its all time high. On the one hand, copper is an industrial metal - which are the most cyclical of all commodities - and benefits from the current economic growth. Commodity prices on the other hand, are at least partially driven by investments of financial institutions. We think that the current high copper price is fundamentally not justified and will therefore slightly decrease in the near future. But in the medium term, investments of financial institutions (e.g. commodities index funds) will keep the price high, as they have to invest constantly. If copper ETFs play a bigger role in the future, this would lead to further investments in copper and thus to higher prices. In the mid to long term we expect the copper price around USD 2.45. In our valuation we use the Street Consensus Copper Prices of USD 2.75 and USD 2.65 for the years 2013 and 2014 respectively. In the long term we use our forecast of USD 2.45 per lb copper which is slightly above the Street Consensus of USD 2.25.

4.2 Competition

A lot of copper producing companies are active in the market, ranging from micro caps to blue chips. The largest copper producers in 2009 are big players with total revenues of several billion US-Dollars and market caps ranging from US$ 3bn to US$ 226bn.

Important Global Copper Producers 2009

Rank	Company	Country	Copper Production 2009 ('000 tons)	Percentage Share	Total Revenue 2009 (USD m)	Current Market Cap (USD m)
1.	Codelco	Chile	1,781	11.2	12,147	-
2.	Freeport-McMoRan	USA	1,650	10.4	15,040	44,856
3.	BHP Billiton	Australia/UK	1,169	7.4	52,798	226,303
4.	Xstrata	Switzerland	894	5.6	22,732	60,148
5.	Rio Tinto Group	Australia/UK	818	5.2	41,825	125,050
6.	Glencore	Switzerland	691	4.4	106,400	-
7.	Anglo American	UK	686	4.3	20,858	59,699
8.	Southern Copper Corporation	USA	490	3.1	3,734	36,074
9.	KGHM Polska Miedź	Poland	439	2.8	3,912	8,804
10.	MMC Norilsk Nickel	Russia	390	2.5	9,804	3,190

Source: CRU International, Thomson Reuters

At this early stage, Curis will be a small player in the copper market. We see an intense competition in the copper industry. But we believe that Curis could establish itself as a niche player, specialized on copper recovery using ISCR. The management told us that further projects are subject to evaluation concerning the application of in-situ technology. Using ISCR, the company could become a specialist for small to medium sized copper deposits which cannot be recovered economically by traditional techniques. In our opinion, this would be the right way to keep up with the competition in the copper industry.

5 SWOT

Strengths

- Low cost of ISCR
- Experienced management team
- Very good infrastructure (transport, energy, workforce, etc.)
- Near-term production (2012)

Weaknesses

- Curis is a single project company compared to larger competitors with multiple projects
- Curis is not generating revenue yet

Opportunities

- Become a niche player with specific technology experiences
- Further projects can be developed using the ISCR technology
- Company becoming recognized as low cost producer for multiple assets using same technology

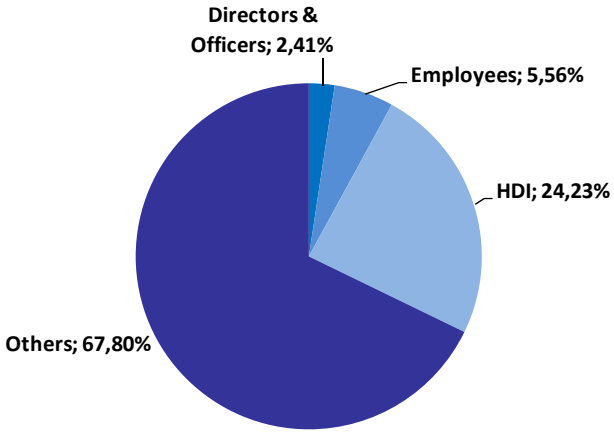
Risks

- Copper recovery lower than expected
- Risk that copper price decreases
- Cost of energy and other input costs higher than expected
- Rezoning and final permitting risk
- Technology risk

6 Stock

Curis is undertaking a reverse takeover (RTO) in order to go public. The target company will be PCI-1 Capital Corp., a Canadian company listed on the TSX Venture Exchange. The transaction will be pre-approved by the TSX and the new company is going to be listed on the Toronto Venture Exchange immediately after closing the current RTO financing. Curis will then be elevated to the TSX main Board within 90 days after closing and on NYSE Amex in early 2011.

Shareholder Structure



Source: Company

7 Valuation

7.1 Project Financials

In the forecast included is a preproduction phase for the construction of the facilities, the production stage (19 years) and post production and closure. The costs for the two latter periods are included in owner costs.

			Preproduction			Start																	End Production		Post Production			Closure		
Production	Total (klb-Cu)	Average (klb-Cu)	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**
Cathode Produced	**1,141,100**	**60,058**	0	0	0	66,000	75,000	69,000	82,400	72,000	72,000	79,000	71,500	71,400	78,000	82,000	75,000	78,000	69,000	44,000	28,000	17,000	9,500	2,300	0	0	0	0	0	0
Additional Cathode	**59,100**	**3,111**	0	0	0	1,100	1,300	1,300	2,500	3,400	3,400	6,000	6,800	7,400	6,600	6,300	7,600	2,000	1,400	1,200	700	100	0	0	0	0	0	0	0	0
Total Cu Recovered	**1,200,200**	**63,168**	**0**	**0**	**0**	**67,100**	**76,300**	**70,300**	**84,900**	**75,400**	**75,400**	**85,000**	**78,300**	**78,800**	**84,600**	**88,300**	**82,600**	**80,000**	**70,400**	**45,200**	**28,700**	**17,100**	**9,500**	**2,300**	**0**	**0**	**0**	**0**	**0**	**0**

				Preproduction			Start																	End Production		Post Production			Closure		
Revenue	Copper Price ($/lb-Cu)	Total ($000s)	Average ($000s)	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**
	2.25	**2,700,450**	**142,129**	0	0	0	150,975	171,675	158,175	191,025	169,650	169,650	191,250	176,175	177,300	190,350	198,675	185,850	180,000	158,400	101,700	64,575	38,475	21,375	5,175	0	0	0	0	0	0
	2.45	**2,940,490**	**154,763**	0	0	0	164,395	186,935	172,235	208,005	184,730	184,730	208,250	191,835	193,060	207,270	216,335	202,370	196,000	172,480	110,740	70,315	41,895	23,275	5,635	0	0	0	0	0	0
(Current Price)	**3.87**	**4,644,774**	**244,462**	0	0	0	259,677	295,281	272,061	328,563	291,798	291,798	328,950	303,021	304,956	327,402	341,721	319,662	309,600	272,448	174,924	111,069	66,177	36,765	8,901	0	0	0	0	0	0

				Preproduction			Start																	End Production		Post Production			Closure		
Transportation Costs	per lb	Total (klb-Cu)	Average (klb-Cu)	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**
Weighing & Sampling	$0.005	**-6,001**	**-316**	0	0	0	-336	-382	-352	-425	-377	-377	-425	-392	-394	-423	-442	-413	-400	-352	-226	-144	-86	-48	-12	0	0	0	0	0	0
Handling	$0.005	**-6,001**	**-316**	0	0	0	-336	-382	-352	-425	-377	-377	-425	-392	-394	-423	-442	-413	-400	-352	-226	-144	-86	-48	-12	0	0	0	0	0	0
Transportation	$0.035	**-42,007**	**-2,211**	0	0	0	-2,349	-2,671	-2,461	-2,972	-2,639	-2,639	-2,975	-2,741	-2,758	-2,961	-3,091	-2,891	-2,800	-2,464	-1,582	-1,005	-599	-333	-81	0	0	0	0	0	0
Sum	**$0.045**	**-54,009**	**-2,843**	**0**	**0**	**0**	**-3,020**	**-3,434**	**-3,164**	**-3,821**	**-3,393**	**-3,393**	**-3,825**	**-3,524**	**-3,546**	**-3,807**	**-3,974**	**-3,717**	**-3,600**	**-3,168**	**-2,034**	**-1,292**	**-770**	**-428**	**-104**	**0**	**0**	**0**	**0**	**0**	**0**

				Preproduction			Start																	End Production		Post Production			Closure		
Operating Costs	per lb	Total ($000s)	Average ($000s)	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**
Production		**517,435**	**24,994**	0	0	4,386	21,788	24,719	24,650	28,748	27,506	28,833	32,412	30,203	29,989	31,927	32,964	34,035	32,746	30,668	23,495	19,389	16,242	13,788	11,380	8,883	3,220	1,971	1,617	1,274	601
SX-EW		**262,258**	**12,632**	0	0	970	12,658	14,461	13,801	15,351	14,645	14,625	15,621	14,944	15,001	15,624	16,015	15,403	15,145	14,098	11,459	9,706	8,496	7,689	6,929	2,224	2,224	1,974	1,375	1,155	666
G&A		**50,219**	**2,073**	0	0	1,828	2,090	2,090	2,090	2,090	2,090	2,090	2,090	2,090	2,090	2,090	2,090	2,090	2,090	2,090	2,090	2,090	2,090	2,090	2,008	2,008	1,716	1,716	1,279	1,122	917
Property Taxes		**30,184**	**1,217**	0	0	56	55	1,415	1,457	1,454	1,464	1,401	1,381	1,397	1,352	1,272	1,318	1,297	1,307	1,310	1,299	1,286	1,222	1,284	1,320	1,245	1,245	1,245	1,245	857	0
Sum	**$0.717**	**860,096**	**33,081**	**0**	**0**	**7,240**	**36,591**	**42,685**	**41,998**	**47,643**	**45,706**	**46,949**	**51,504**	**48,634**	**48,433**	**50,914**	**52,388**	**52,825**	**51,288**	**48,167**	**38,343**	**32,472**	**28,051**	**24,851**	**21,638**	**14,360**	**8,404**	**6,905**	**5,516**	**4,408**	**2,183**

				Preproduction			Start																	End Production		Post Production			Closure		
Capital Expenses	per lb	Total ($000s)	Average ($000s)	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**
Production		**499,262**	**21,707**	0	0	63,220	26,299	17,127	26,651	9,503	21,694	33,006	19,757	21,243	31,381	38,532	43,466	68,645	55,604	2,104	2,321	1,048	1,303	2,162	3,299	4,165	5,005	1,728	0	0	0
Infrastructure		**158,714**	**6,613**	3,014	57,274	98,426	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SX-EW		**10,137**	**459**	78	78	9,372	0	0	0	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	8	32	0	0	0	0
Owner Costs		**13,950**	**498**	525	2,258	3,533	2,069	158	158	158	158	158	158	158	158	158	158	158	158	158	158	158	158	158	158	158	158	158	53	53	2,153
Sum	**$0.020**	**682,062**	**24,359**	**3,617**	**59,609**	**174,550**	**28,368**	**17,285**	**26,808**	**9,696**	**21,887**	**33,199**	**19,950**	**21,436**	**31,574**	**38,726**	**43,659**	**68,838**	**55,797**	**2,297**	**2,514**	**1,241**	**1,496**	**2,355**	**3,492**	**4,331**	**5,194**	**1,885**	**53**	**53**	**2,153**

7.2 NPV-Model

In order to determine the net present value (NPV), we established a discounted cash flow model and used market data from the companies' peer group companies. The discount rate in our model is based on publicized studies and ranges from 7.0% to 8.0%. The modification of the action parameters is shown in the sensitivity analysis. It shows variance in our derived target price in variant scenarios.

NPV - Curis Resources Ltd.

Numbers in US$000s

Copper (klb)	**1,200,200**	**1,200,200**	**1,200,200**
Long Term Copper Price (US$/lb)	$2.25	$2.45	$3.87
Gross Revenue	**$2,764,520**	**$2,975,880**	**$4,476,536**
Royalty	-169,528	-186,160	-304,246
Transportation	-55,627	-55,627	-55,627
Gross Income	**$2,539,365**	**$2,734,093**	**$4,116,663**
Operating Costs			
Production	-517,435	-517,435	-517,435
SX/EW	-262,258	-262,258	-262,258
G&A	-50,219	-50,219	-50,219
Property Taxes	-30,184	-30,184	-30,184
Total Operating Costs	**-860,096**	**-860,096**	**-860,096**
Operating Margin	**$1,679,269**	**$1,873,997**	**$3,256,567**
Taxes			
Severance Tax	-21,868	-24,275	-41,483
City of Florence Tax	-2,539	-2,734	-4,117
Income Tax	-348,410	-410,962	-861,164
Total Taxes	**-372,817**	**-437,971**	**-906,764**
Capital Costs			
Production	-499,262	-499,262	-499,262
SX/EW	-158,714	-158,714	-158,714
Infrastructure	-10,137	-10,137	-10,137
Owner Costs	-13,950	-13,950	-13,950
Total Capital Costs	**-682,062**	**-682,062**	**-682,062**
Thereof			
Initial	-237,776	-237,776	-237,776
Ongoing	-444,286	-444,286	-444,286
Cash Flow	**$624,390**	**$753,965**	**$1,667,742**
NPV (7.0%)	$291,275	$353,652	$794,679
NPV (7.5%)	**$275,454**	**$334,922**	**$755,447**
NPV (8.0%)	$260,413	$317,139	$718,332
IRR	27%	30%	42%

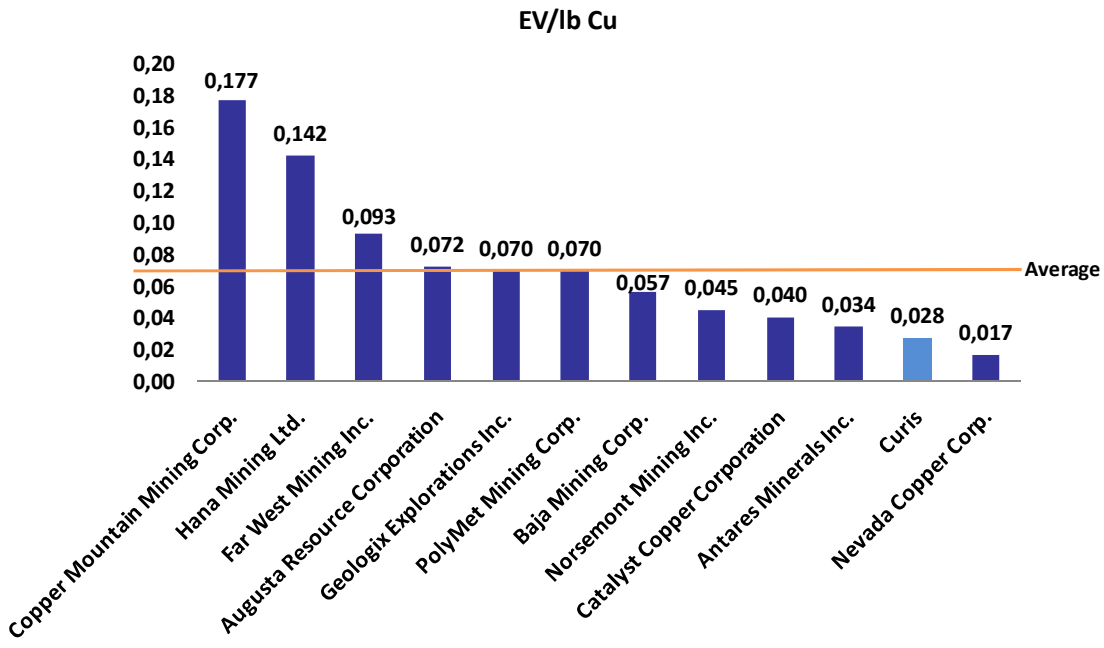
Our model shows a wide range in the derived net present value. This reflects the wide range of input parameters chosen. Assumed that the current copper price of USD 3.87 would remain at this level for the whole mine life – which we do not consider realistic - the net present value would be USD 755 million (at a discount rate of 7.5%). In our opinion, a copper price of USD 2.45 seems realistic in the mid and long term. This would lead to a NPV between USD 317 million and USD 353 million. In this case, the IRR would be 30%.

As per company's statement, the number of issued and outstanding shares is estimated to be 58,417,779.

Input Parameters	
Royalty	6.30%
Tax Rate	42%
Operating Days/Year	365
Max Prod (klb/d)	232
Total Production (klb)	1,236,149
No. of Shares (Mill.)	58.4

7.3 Peer Group Valuation

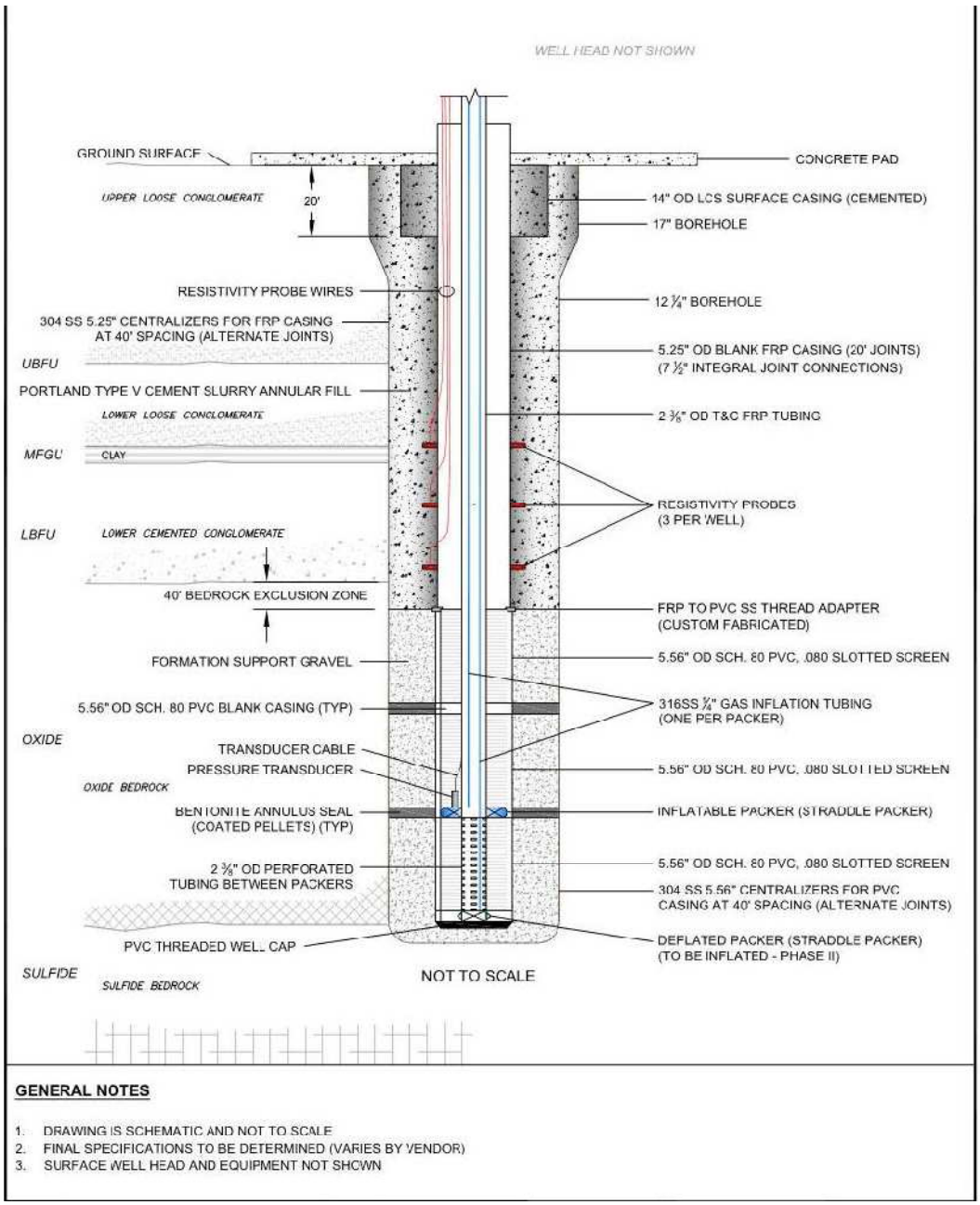
Companies in Curis' peer group have resources of a comparable size. A valuation on an enterprise value basis shows an undervaluation of Curis in comparison to its competitors. The average EV/lb Cu ratio of the peer group is $0.07/lb. Curis is valued at $0,028/lb on the basis of the US$1.95 pricing per share in the RTO financing, which is the second lowest valuation per pound of contained copper. Copper Mountain Mining and Hana Mining, the companies with the highest ratio, are valued at $0.177/lb and $0.142/lb respectively. The upside potential of Curis compared to the average is 150%.



Source: Company, Thomson Reuters

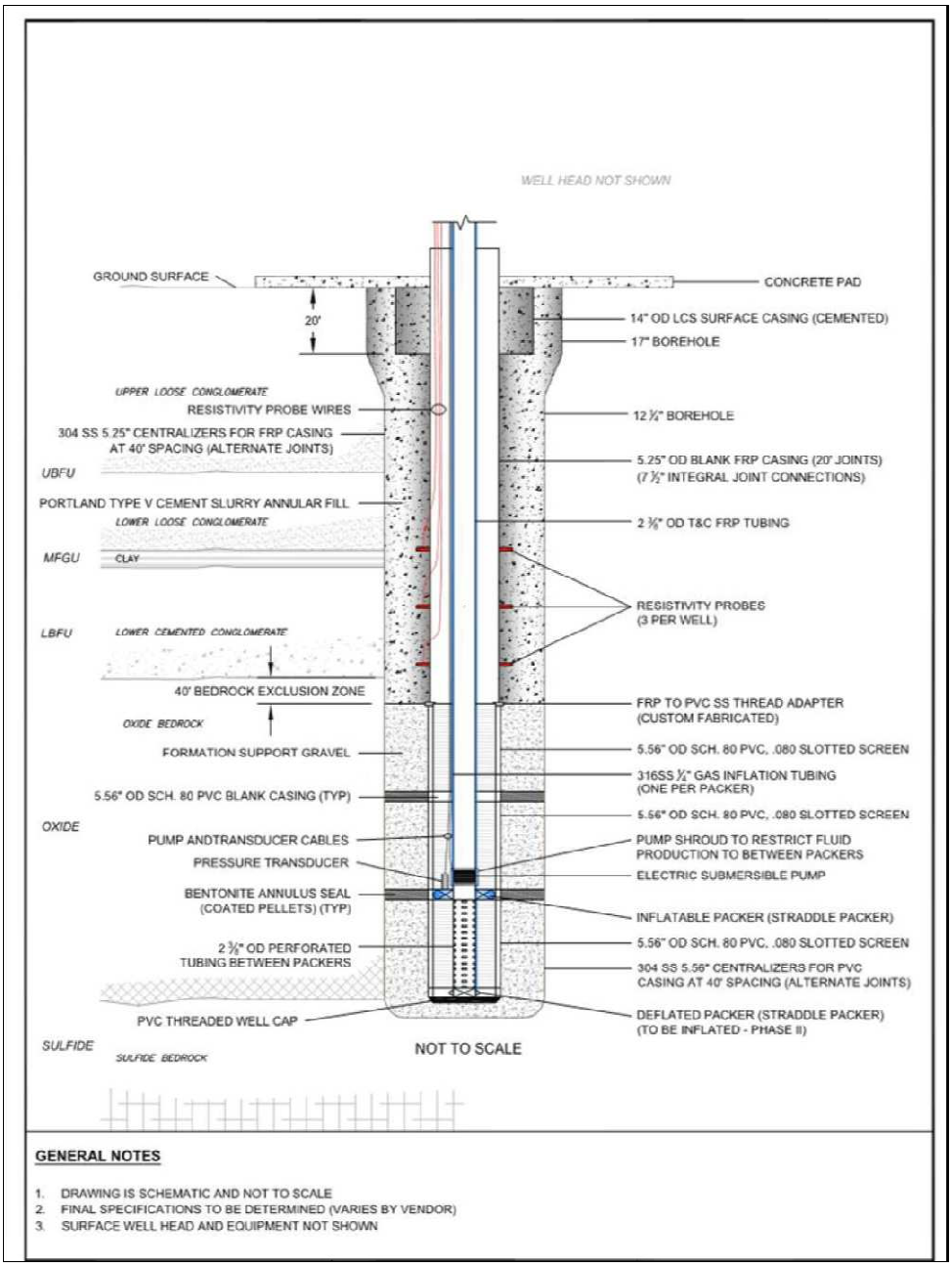
8 Appendix

Typical construction of an injection well



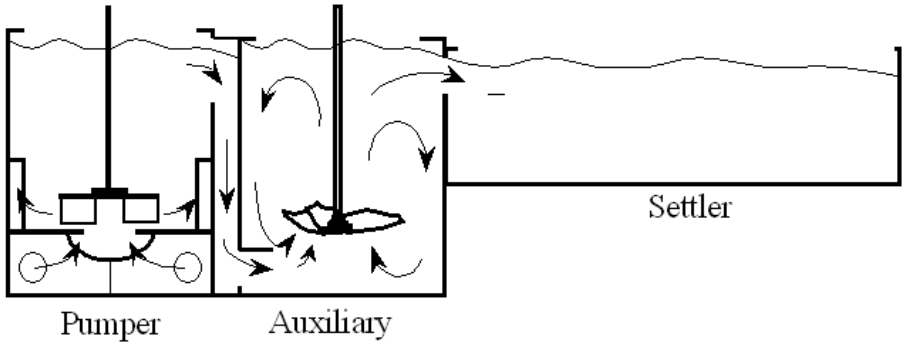
Source: Company

Typical construction of a recovery well



Source: Company

A mixer-settler overflow schematic showing the pumper and auxiliary mixing stages, followed by a settler of a conventional SX-circuit.



www.postmixing.com/mixing%20forum/Macro/Liq-Liq/Mixer-Settlers/Publication1/article1.htm#Introduction

9 Contact

Curis Resources Ltd.
1020-800 West Pender Street
Vancouver, BC V6C 2V6
Canada

Tel : +1 604.684.6365
Fax : +1 604.684.8092
Email: info@curisresources.com

DR. KALLIWODA RESEARCH GmbH Primary Research | Fair Value Analysis | International Roadshows		Rüsterstraße 4a 60325 Frankfurt Tel.: 069-97 20 58 53 www.kalliwoda.com
Head: **Dr. Norbert Kalliwoda** E-Mail: nk@kalliwoda.com	CEFA-Analyst; University of Frankfurt/Main; PhD in Economics; Dipl.-Kfm.	Sectors: IT, Software, Electricals & Electronics, Mechanical Engineering, Logistics, Laser, Technology, Raw Materials
Michael John E-Mail: mj@kalliwoda.com	Dipl.-Ing. (Aachen)	Sectors: Chemicals, chemical engineering, basic metals, renewable energies, laser/physics
Maximilian F. Kaessens E-Mail: tk@kalliwoda.com	Bachelor of Science in Business Management (Uni. Boston (05/2012), Babson Park, MA) (US))	Sectors: Financials, Real Estates
Dr. Thomas Krassmann E-Mail: tk@kalliwoda.com	Dipl.-Geologist, M.Sc.;University of Göttingen & Rhodes University, South Africa;	Sectors: Raw Materials, Mining, Precious Metals, Gem stones.
Dr. Christoph Piechaczek E-Mail: cp@kalliwoda.com	Dipl.-Biologist; Technical University Darmstadt; Univ. Witten-Herdecke.	Sectors: Biotech & Healthcare; Medical Technology Pharmaceutical
Kolja Schick – Freiherr von Flotow **E-Mail:** ks@kalliwoda.com	Dipl.-Kaufmann, (University Frankfurt/Main).	Sectors: Consumers, Automotives, Automotive Suppliers, Mechanical Engineering
Dr. Erik Schneider **E-Mail:** es@kalliwoda.com	Dipl.-Biologist; Technical University Darmstadt; Univ. Hamburg.	Sectors: Biotech & Healthcare; Medical Technology Pharmaceutical
David Schreindorfer E-Mail: ds@kalliwoda.com	MBA, Economic Investment Management; Univ. Frankfurt/ Univ. Iowa (US).	Sectors: IT/Logistics; Quantitative Modelling
Hellmut Schaarschmidt; E-Mail: hs@kalliwoda.com	Dipl.-Geophysicists; University of Frankfurt/Main.	Sectors: Oil, Regenerative Energies, Specialities Chemicals, Utilities
Nele Rave E-Mail: nr@kalliwoda.com	Lawyer; Native Speaker, German School London,	Translations English

Also view Sales and Earnings Estimates:

DR. KALLIWODA | RESEARCH on Terminals of
Bloomberg
Thomson Reuters
vwd group
Factset

Analysts of this research:
Dr. Norbert Kalliwoda, CEFA Kolja Schick–von Flotow

10 DISCLAIMER

BUY	On a basis of our prognoses the stock should have a performance of at least 10% in the following 12 months.	
ACCUMULATE	On a basis of our prognoses the stock should have a performance of between 5% and 10% in the following 12 months.	
HOLD	On a basis of our prognoses the stock should have a performance of between minus 5 and plus 5% in the following 12 months.	
REDUCE	On a basis of our prognoses the stock should have an underperformance of between minus 5% and minus 10%.	
SELL	On a basis of our prognoses the stock should have an underperformance of at least minus 10%	

Additional Disclosure

DR. KALLIWODA | RESEARCH GmbH prepared this analysis on the basis of broadly accessible sources, which are regarded as reliable. We work as precisely as possible. We cannot however guarantee for the balance, precision, correctness and wholeness of the information and opinions. This study does not replace personal advice. This study is not regarded as invitation to the purchase or sale of the installation-instruments discussed in this study. Therefore, DR. KALLIWODA | RESEARCH GmbH advises to turn to your bank-advisor or trustees before an investment-disposition.

In the United Kingdom this document is only intended for distribution to persons described in Section 11(3) of the Financial Services Act 1986 (Investments Advertisements) (Exemptions) Order 1996 (in the latest amended version), and may not be passed on either directly nor indirectly to another group of persons. Neither this document nor a copy thereof may be sent or taken to or distributed in the United States of America, Canada or Japan or their territories or possessions nor may it be distributed to a US person as defined by the terms of the US Securities Act 1933 or to persons resident in Canada or Japan. Distribution of this document in other jurisdictations may be limited by law and persons in possession of this document should inform themselves of any restrictions and comply with these. Any failure to comply with these restrictions may represent a breach of a current securities act.

DR. KALLIWODA | RESEARCH GmbH as well as co-workers may hold positions in any securities mentioned in this study or in connected investments and may increase or sell their holdings in these securities or connected investments.

Possible conflicts of interest

Neither DR. KALLIWODA | RESEARCH GmbH nor any affiliated company

a) hold an interest of 1 percent or more of the equity capital of the company being covered in this report;
b) were involved in an emission of investments that is object of this study;
c) hold a net-sale position of the shares of the analyzed business of at least 1 percent of the share capital;
d) have serviced the analyzed investments based on any contract with the emitter on the stock exchange or in the market.

There is a contractual relationship only with the business of Curis Resources Ltd. and DR. KALLIWODA |RESEARCH GmbH for the preparation of research studies.

Through the assumption of this document, the reader / recipient accepts the obligations in these disclaimers.

DISCLAIMER

The information and opinions in this analysis were prepared by DR. KALLIWODA | RESEARCH GmbH. The information herein is believed by DR. KALLIWODA | RESEARCH GmbH to be reliable and has been obtained from public sources believed to be reliable. With the exception of information about DR. KALLIWODA | RESEARCH GmbH, DR. KALLIWODA | RESEARCH GmbH makes no representation as to the accuracy or completeness of such information.

Opinions, estimates and projections in this report constitute the current judgement of the author as of the date of this analysis. They do not necessarily reflect the opinions, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate, except if research on the subject company is withdrawn. Prices and availability of financial instruments also are subject to change without notice. This report is provided for informational purposes only. It is not to be construed as an offer to buy or sell or a solicitation of an offer to buy or sell any financial instruments or to participate in any particular trading strategy in any jurisdiction. The financial instruments discussed in this report may not be suitable for all investors and investors must make their own investment decision using their own independent advisors as they believe necessary and based upon their specific financial situations and investment objectives. If a financial instrument is denominated in a currency other than an investor´s currency, a change in exchange rates may adversely affect the price or value of, or the income derived from, the financial instrument, and such investor effectively assumes currency risk. In addition, income from an investment may fluctuate and the price or value of financial instruments described in this report, either directly or indirectly, may rise or fall. Furthermore, past performance is not necessarily indicative of future results.