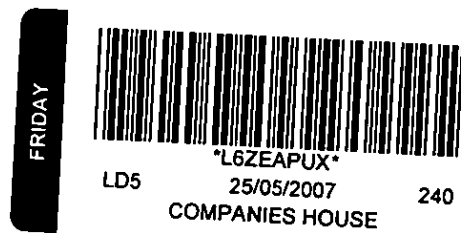


Company Registration No. 05519908 (England and Wales)

TUBUTAMA LIMITED
DIRECTORS' REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2006



TUBUTAMA LIMITED

COMPANY INFORMATION

Directors	K C Morzana	(Appointed 4 July 2006)
	I C Orr-Ewing	(Appointed 8 August 2005)

Secretary	S F Ronaldson
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Company number	05519908
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Registered office	Third Floor 55 Gower Street London WC1E 6HQ
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Accountants	Mazars LLP 3, Sheldon Square London W2 6PS
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TUBUTAMA LIMITED

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TUBUTAMA LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 JULY 2006

The directors present their report and financial statements for the period ended 31 July 2006

Principal activities

The principal activity of the company continued to be that of borax mining

The company was incorporated on 27 July 2005 and commenced its activities on 10th August 2005

Directors

The following directors have held office since 27 July 2005

K C Morzana	(Appointed 4 July 2006)
I C Orr-Ewing	(Appointed 8 August 2005)
Gower Nominees Limited	(Appointed 27 July 2005 and resigned 4 October 2005)

Directors' interests

The directors' interests in the shares of the company were as stated below

	Ordinary Shares of £0.005 each	
	31 July 2006	27 July 2005
I C Orr-Ewing	6,326,315	-
K C Morzana	200,000	-

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

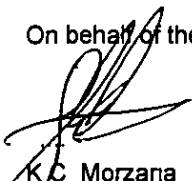
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

On behalf of the board


K C Morzana
Director
25/06/07

TUBUTAMA LIMITED

ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE UNAUDITED FINANCIAL STATEMENTS OF TUBUTAMA LIMITED

In accordance with the engagement letter dated 23 May 2007, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise the Profit and Loss Account, the Balance Sheet and the related notes from the accounting records and information and explanations you have given to us

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet as at 31 July 2006 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

Mazars LLP

Mazars LLP

Accountants

20 May 2007

3, Sheldon Square
London

W2 6PS

TUBUTAMA LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 JULY 2006

	Notes	Period ended 31 July 2006 £
Administrative expenses		(141,985)
Operating loss		<u>(141,985)</u>
Other interest receivable and similar income	2	891
Loss on ordinary activities before taxation		<u>(141,094)</u>
Tax on loss on ordinary activities	3	-
Loss for the period	7	<u><u>(141,094)</u></u>

TUBUTAMA LIMITED

BALANCE SHEET

AS AT 31 JULY 2006

	Notes	2006 £	£
Current assets			
Debtors amounts falling due within one year	4	-	
Debtors amounts falling due after more than one year	4	185,262	
Cash at bank and in hand		16,273	
		<u>201,535</u>	
Creditors: amounts falling due within one year	5	<u>(91,629)</u>	
Total assets less current liabilities			<u>109,906</u>
Capital and reserves			
Called up share capital	6		83,500
Share premium account	7		167,500
Profit and loss account	7		<u>(141,094)</u>
Shareholders' funds			<u>109,906</u>

In preparing these financial statements

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985,
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Approved by the Board for issue on 25/05/07


K C Morzana
Director

TUBUTAMA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 JULY 2006

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.4 Going concern

The financial statements have been prepared on the going concern basis. This is considered appropriate as the shareholders will continue to provide financial support to the company for the foreseeable future. Should the company be unable to continue trading, adjustments would have to be made to reduce the value of assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify fixed assets as current assets.

2 Investment income 2006 £

Bank interest	891
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3 Taxation

On the basis of these financial statements no provision has been made for corporation tax.

4 Debtors 2006 £

Other debtors	185,262
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Debtors include an amount of £185,262 which is due after more than one year.

The recoverability of the loan to Minerales Industriales Tubutama SA DE CV is dependent on economic resources being confirmed on the Tubutama leases.

TUBUTAMA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2006

5	Creditors: amounts falling due within one year	2006
		£
	Trade creditors	13,474
	Other creditors	78,155
		<u>91,629</u>

6	Share capital	2006
		£
	Authorised	
	1,000,000,000 Ordinary Shares of £0.005 each	<u>5,000,000</u>
	Allotted, called up and fully paid	
	16,700,000 Ordinary Shares of £0.005 each	<u>83,500</u>

During the period under review, 16,700,000 ordinary shares of £0.005 per share were issued for cash consideration. Any premium arising upon issue of these shares have been transferred to the share premium account.

7	Statement of movements on reserves	Share premium account	Profit and loss account
		£	£
	Loss for the period	-	(141,094)
	Premium on shares issued during the period	167,500	-
		<u>167,500</u>	<u>(141,094)</u>
	Balance at 31 July 2006	<u>167,500</u>	<u>(141,094)</u>

8 Transactions with directors

Included in other creditors is £50,000 due to I C Orr Ewing, director of the company.

TUBUTAMA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2006

9 Control

In the opinion of the directors there is no ultimate controlling party

10 Post balance sheet events

On 23 August 2006, the company issued 566,667 shares for a total consideration of £2,833. On 20 September 2006, the company issued 58,500,000 shares for a total consideration of £1,755,000. These shares were issued in exchange for the whole of the issued share capital of Minaramex, a company incorporated in the British Virgin Islands.