



**Issue of Bonds for Capital Market - TMI Ltd.-
-of BSGR Group**

July, 2007

Financial data represented in USD, marked in- \$

Disclaimer

- Numbers contained herein are preliminary and may be subject to change or amendment without notice.

Certain statements made herein may contain statements about expected future events and financial and operating results of BSG Resources Limited (BSGR) and/ or any of its subsidiaries (Herein: “the BSGR group”), that are forward-looking and subject to risks and uncertainties, and have not been reviewed by the auditors of BSGR Group or of any company within the group.

Accordingly, BSGR group’s actual results, performance, or achievement could differ materially from those expressed or implied by such statements and such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. No undue reliance shall be placed on such forward looking statements.

Factors that could cause actual results to differ materially include items discussed in this document but could also include other factors such as general business and economic conditions, competition, technological change, taxation, and other risk factors that are identified from time to time. Furthermore, historical results stated herein may not be indicative of the Group's or any of its member's future performance.

BSGR group disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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| | |
|--------------------------|---|
| BSG | A senior international private investment group, held in a trust, the main beneficiary of which is Mr. Benny Steinmetz |
| BSGR | Natural resources branch of BSG |
| Fields | Minerals, energy and engineering services to the minerals and energy fields |
| Growth | The mineral field is in high growth, and there is a global surplus in demand for commodities (China, India, CIS) |
| Products | Nickel, Copper, Cobalt, Diamonds, Steel and engineering services to the minerals and energy fields |
| Location | Headquarters in Guernsey; offices in London and Johannesburg; activity in the Balkans and CIS, including Russia and Africa |
| Under development | The continuation of development and expansion of the mining and minerals field; Petroleum, gas, and energy substitutes in Africa, Europe, America and CIS |

| | |
|----------------------------------|--|
| Market Value | The market value of the total merchantable holdings is over \$7B and BSGR's share these holdings is app. \$2.8B. The company has additional holdings, the value of which is estimated in app. \$0.5B. |
| Equity | App. \$1B in the unified balance (including app. \$200M loans from shareholders) |
| Leverage | None |
| Employees | Over 10,000 in the group |
| Management | Renowned and experienced management and Board of Directors, headed by Chris Thompson who has dozens of years of experience in the minerals and energy field. |
| Bonds | TMI (Guernsey), a subsidiary under the full ownership of BSGR (Guernsey), is interested in raising bonds from Israeli investors, with the intention of registering for trading in Tel-Aviv Stock Market, with a full guarantee of BSGR, which is accompanied by securities in A+ rating, as detailed below |
| Consideration designation | Development of mining, energy and alternative energy activities |

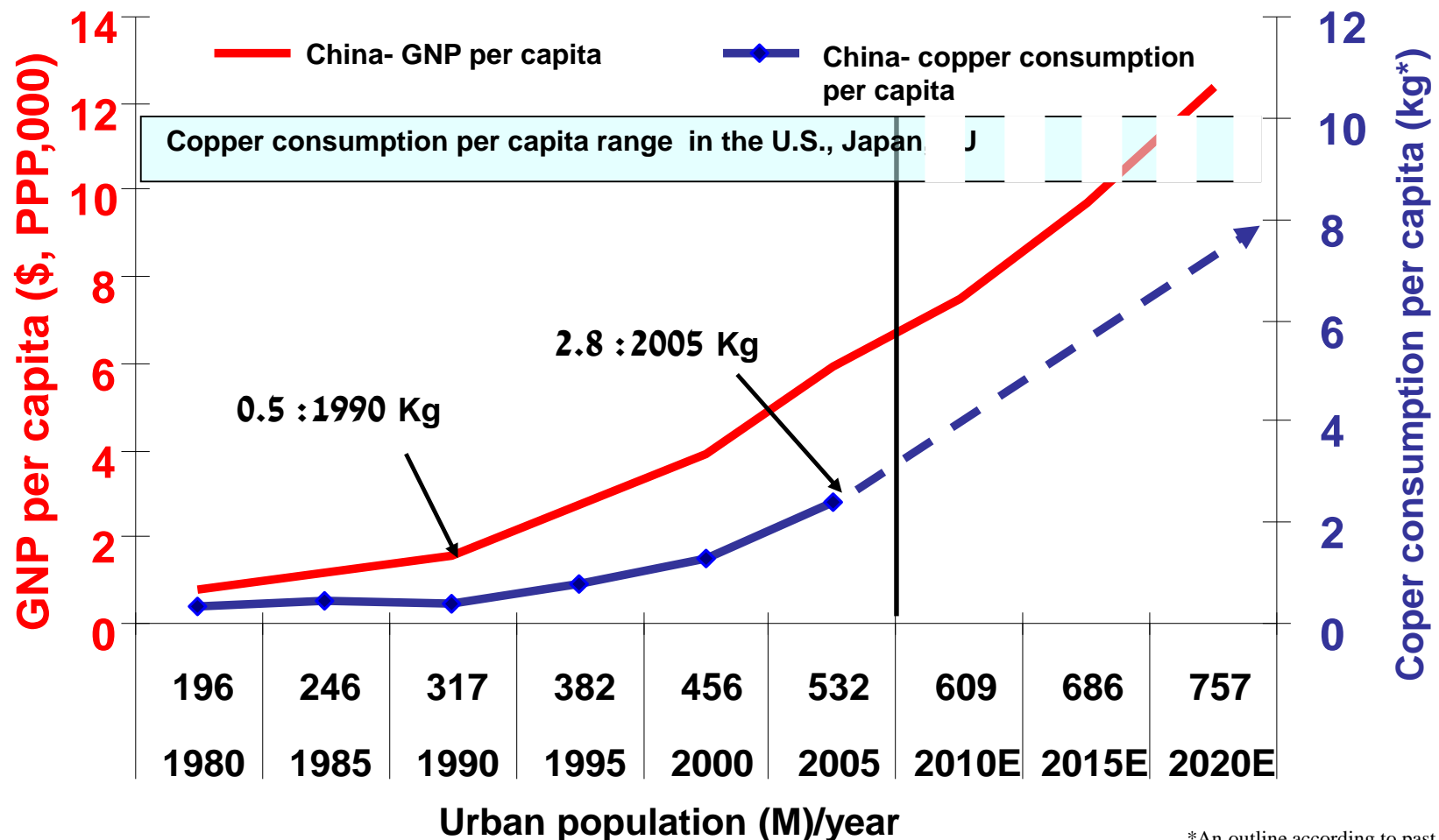
**To Become a Global
Integrated Diversified
Resource Company**

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Forecast for world demand surplus for metals – e.g. China

- The urbanization process drives the product growth and the demand for metals.
- Currently, China is the largest consumer in the world, of Copper, Nickel, Alumina and Iron Ore.
- Yet, the **Copper consumption per capita in China constitutes a third of the consumption in the West.**



Main products

| | |
|-----------------------|---|
| Nickel | <p>App. 2/3 of the demand is for the production of stainless Steel, for various uses (e.g. kitchen tools)</p> <p>5 manufacturers constitute over 60% of the production (BSGR's share in E2008: 2.2%)</p> <p>China's part in the demand increased from 4% to 18% since 1999</p> |
| Copper | <p>A metal used mainly for the production of cable, pipeline, etc.</p> |
| Cobalt | <p>A metal used mainly in the production of alloys for the space industry and for rechargeable batteries</p> <p>50% of the world reserves are located in Congo, and app. 20% in Australia</p> |
| Iron Ore | <p>A mineral used for the production of Steel</p> <p>4 manufacturers hold most of the production</p> |
| Steel and Iron | <p>A generic name for app. 3,500 different products, used mainly in the construction and transportation fields.</p> |

Main products (continuation)

Uranium

A metal used mainly in the production of energy in nuclear reactors

24% of the reserves are located in Australia, and 17% in Kazakhstan

The price grew from 21K\$/tonne in 2001, to 302K\$/tonne in 2006. There is an anticipation for the continuation of the surplus in demand

Aluminum and Alumina

The metal most used after Iron.

Used for transportation, packaging materials, construction, and infrastructures

Bauxite

A mineral used in the production of Aluminum

4 manufacturers hold most of the production

Australia manufactures app. 30% of the world quantity of Bauxite

Anticipation for a world demand in surplus, leading to the continuation of growth

| | Price | Market volume | | Annual growth in demand forecast |
|-----------------------|-----------------------|---------------|------|--|
| | Jun-07 K\$ per ton | 2006 (\$B) | 1997 | |
| Nickel | 36 | 33 | 7 | 7% |
| Copper | 8 | 116 | 30 | 3.60% |
| Cobalt | 55 | 2 | 1 | 7% |
| Iron Ore (\$ per ton) | 80-100 | 129 | 32 | 7%-5% |
| Uranium | 302 | 7 | 1 | 15%-5% |
| Aluminum | 3 | 54 | 37 | 4%-3% |

Source: LME, Brook Hunt, CDI, U.S. Geological Survey, ICSG, INSG, Deutsche Bank, Ux Consulting, USGS, Bloomberg, Umicore.

Main activity areas

Zambia



A stable democracy in south central Africa, between Congo, Tanzania, Angola and more.

Area: 750K sq km; population: app. 12 million, most of whom Christian
Copper and Cobalt mining is the main source of income in the country.

Macedonia



A stable democratic republic in south east Europe, between Serbia, Albania and Greece.

Area: 26K sq km; population: app. 2 million, 2/3 Christian and 1/3 Muslim
In 1991 it separated, in peace terms, from Yugoslavia. In 2007-8 will negotiate its entering the EU.

DRC Congo



The democratic republic of Congo is located in central Africa.

Area: 2,300 sq km; population app. 63 million, most of whom Christian.

In 2006 elections were successfully conducted in the country.

The governmental policy aspires for stability and encouraging foreign investors.

Kosovo

Located in south east Europe, between Serbia, Macedonia, Albania and Montenegro.

Area: 11K sq km; population: app. 2 million, most of whom Muslim

Today is under UN regime. The U.S. and the EU support the granting of independence.

Global Reach

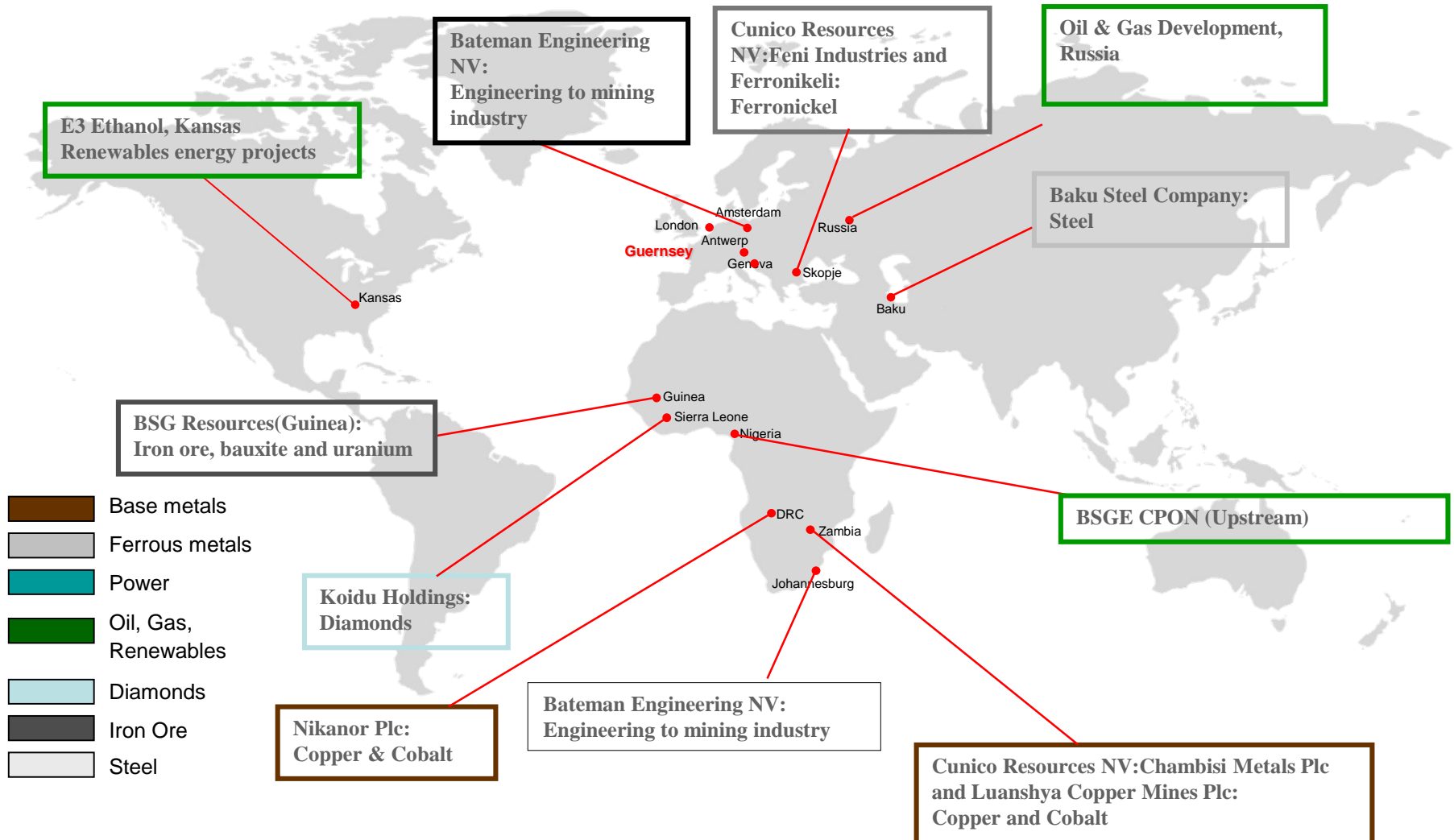
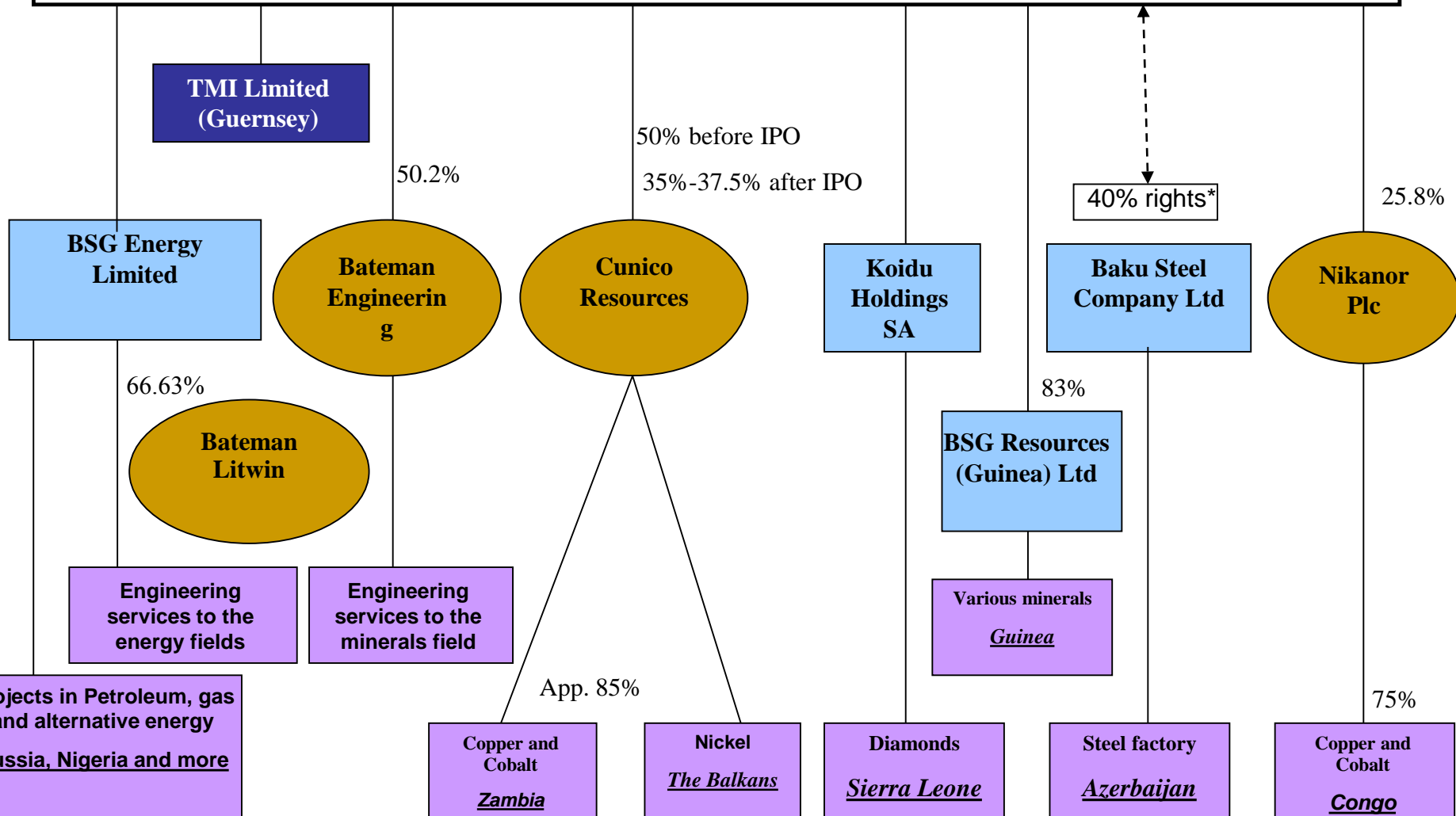


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Major holdings structure

BSGR Limited Guernsey



 **Public company**

* Held by a partnership between a sister company of BSGR and a third party.
BSGR is entitled to 40% of the flow, against granting consultation services.

Main holdings mapping

| <u>Holding</u> | <u>Holding rate</u> | <u>Products</u> | <u>Activity area</u> | Market value Estimation ⁽¹⁾ |
|---|-------------------------------------|---|----------------------|---|
| Cunico - up for IPO ⁽²⁾ | 37.5%-35% | Nickel, Copper and Cobalt | Zambia and Balkans | 1,500 |
| Nikanor | 26% | Copper and Cobalt | Congo | 681 |
| Bateman Engineering | 50% | Engineering services for the mineral industry | Worldwide | 287 |
| Bateman Litwin | 67% | Engineering services for the Petroleum and gas industry | Worldwide | 349 |
| Total Traded Investments | BSGR'S share in market value | | | 2,818 |
| Koidu | 100% | Diamonds | Sierra Leon | 130-180 |
| Baku Steel | 40% ⁽³⁾ | Steel | Azerbaijan | 120-145 |
| Total private investments | | | | 250-325 |
| Energy, gas and petroleum | Developing | Various investments | | 96 |
| Other investments | Developing | Mainly iron in Guinea and Diamonds in Congo | | 100 |
| Total additional investment under development | | | | 196 |
| Total holdings | | | | 3,300 |

Financial and operational data in this presentation are presented for the company total, and not for BSGR's share, unless otherwise stated.

- (1) BSGR's share in Cunico value reflects an estimated price in the issuance expected at the beginning of August 2007; BSGR's share is \$1.3B and in addition to Cunico's debt to BSGR in the amount of \$200M. Value of Nikanor and Bateman companies is based on the stock price in the AIM stock market on July 11, 2007. Investments in energy, Petroleum and gas, according to the value in the balance of March, 2007. The value of Koidu, Baku and other investments is based on estimations of BSGR.
- (2) Holdings rate expected after IPO at the beginning of August 2007.
- (3) Held by a partnership between a sister company of BSGR and a third party. BSGR is entitled to 40% of the flow, against providing consultation services.

Experienced and renowned management

Members of the Board of Directors

**Chris Thompson,
Chairman**

Over 35 years of experience in the minerals and energy fields



Dag Cramer

Rich experience in finance management in the mineral field



David Granot

Over 35 years of experience in the banking and finance fields

Steven Oke

30 years of experience in mineral operation, including investment banking



David Clark

Former treasurer of the government of Guernsey



Sandra Merloni-Horemans

13 years of experience in banking, investments and corporational management



Kevin McAuliffe

Over 25 years of experience in trusts and banking environment



BSGR headquarters management includes

Mining and minerals management team

Energy, Petroleum and renewable energy management team

A team of finance professionals

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|------------------------------|--|
| Essence | A group for mining and processing Nickel, Copper and Cobalt |
| Products and location | Nickel – in Macedonia and Kosovo; Copper and Cobalt – in Zambia |
| Market value | As published in FT, the issuance is expected in LSE in August, 2007, according to value of \$3.0-4.0B , for raising app. \$600M-\$800M (after capital); BSGR's share (35%-37.5%) – app. \$1.5B*, after capital. |
| Investment Bankers | Deutsche Bank; Credit Suisse |
| Employees | App. 5,300 |
| Partners | The private investment company IMR |
| Main agreements | Zambia government is a partner in the mines in Zambia, in a rate of 10-15% |

* Including a debt of Cunico to BSGR, in the amount of \$200M.

Cunico – (35-37.5% ~) - continuation

- Mineral reserve estimation (ton): 1M Copper, 0.8M Nickel, 0.1M Cobalt
- Investing app. \$700M in 2007-9 will increase the annual production level :
 - Nickel: from 24K ton, to 40-50K;
 - Copper: from 27K to 100K, including developing a new mine.
- **The total reserves in current selling prices: app. \$35B.**
- Especially convenient taxation outline.

The issuance before pricing, thus the financial data of Cunico are confidential.

www.cunicoresources.com ticker: to be advised

Nikanor (25.8%)

| | |
|---------------------------------------|--|
| Essence | A group for mining and processing Copper and Cobalt in three mines. |
| Location | DRC (Democratic Republic of Congo) |
| Products | App. 250K ton Copper and app. 27K ton Cobalt per year. KOV is considered a Copper mine of the largest and richest in the world, and in addition, the cost of production in it is of the lowest in the world. |
| Market value ¹ | App. \$2.6B (BSGR's share - \$681M) |
| Equity | App. \$400M. After the balance date, \$800M were raised. Total capital: \$1,200M |
| Financial leverage² | App. \$1.1B cash. |
| Income² | Anticipation for app. \$760M in E2010 and app. \$1,200M in E2011. In initial activity stages. |
| Ebitda² | Anticipation for app. \$440M in 2010 and app. \$840M in 2011. |
| Employees | Currently app. 1,300, in 2009 app. 4,000 |
| Main agreements | Congo government has 25% of the rights in the mine. |

1. Market value in the stock market on July 11, 2007.

2. According to a balance dated December 31, 2006, with the addition of \$800M raised after the balance date.

3. Based on Nikanor issuance forecast of July 2006, and other public data, see below.

Nikanor (25.8%)

- Mineral reserve estimation in KOV mine⁽¹⁾ : 9M ton Copper, 0.8M ton Cobalt
- Production begins in 2009-2010
- Reconstruction and development of the mine is in process (lead by Bateman Eng.) with an investment of app. \$1.6B⁽²⁾
- The Swiss company Glencore, a commodities supplier of the biggest in the world, invested, in a private issuance in June 2007, \$600M⁽³⁾, app. \$2.7B
- Glencore is obligated to purchase the full production of the mine, and to supply operational capital for activity
- Below is the holdings structure:

www.nikanor.co.uk ticker: NKR

* Total reserves in current selling prices, app. \$120M

| | |
|---------------------------|-------|
| BSGR group | 26% |
| Gertner family | 15% |
| Dan Gertler | 10% |
| Glencore | 12% |
| RP Capital ⁽³⁾ | 12% |
| Public | 25% |
| | <hr/> |
| | 100% |

(1) According to Nikanor publications.

(2) And in addition app. \$200M in operational working capital.

(3) App. half the Glencore investment is held for RP Capital Fund, the major beneficiary of which is, indirectly, Dan Gertler.

Bateman Engineering (app. 50.2%)

| | |
|-----------------------------------|---|
| Essence and products | <p>A group granting engineering, planning, construction and management mineral and metal processing services, including in the field of the environment.</p> <p><u>Considered a world leader in planning and construction of Diamond processing factories.</u></p> |
| Location | In the last decade completed app. 600 projects in 40 countries. |
| Market value⁽¹⁾ | <p>App. \$570M. (BSGR's share - \$287M)</p> <p>App. \$58M. \$40M were raised after the balance date. Total capital: \$98M.</p> |
| Equity | |
| Financial leverage | None |
| Income² | App. \$342M in 2006 and an anticipation for app. \$655M in 2009. |
| Net profit ² | App. \$12M in 2006 and an anticipation for app. \$32M in 2009. |
| Employees | App. 1,200 |
| Customers | Among its customers are leading mining companies, e.g. Anglo American, BHP Billiton and De Beers. |
| Additional shareholders | JP Morgan, app. 5%, UBS, app. 5%, and others. |

1 Market value in the stock market on July 11, 2007.

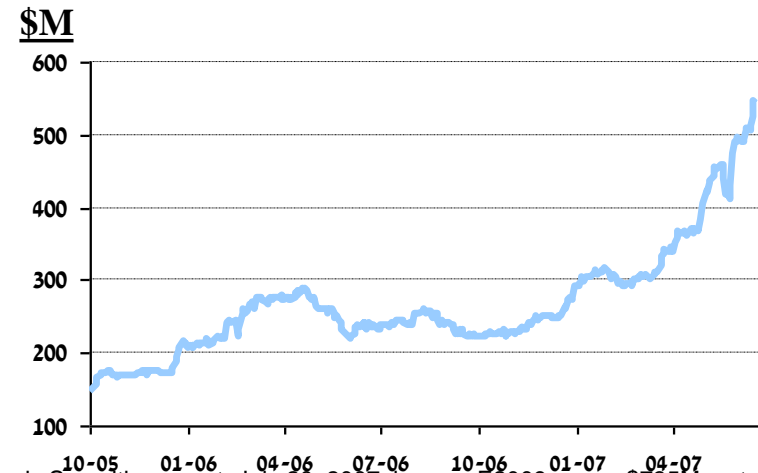
2. Based on public information, see below; the date of the company's annual report is June 30.

Bateman Engineering (app. 50.2%)

- Extract of financial data and cash flow forecast**, based on public information*

| | 2006 | 2007 | 2008 | 2009 |
|-------------------------------------|--------|----------|------|------|
| | Actual | Forecast | | |
| | | (M\$) | | |
| Income | 342 | 456 | 562 | 655 |
| Net profit after minority interests | 12 | 13 | 25 | 32 |

- Value development at AIM**



Based on the report of analysts Dresdner Kleinwort, July 2, 2007. According to Numis Securities report, July 20, 2007, income E2009 – app. \$735M, net profit – app. \$29M

In the absence of other information, the analyst forecast is presented, and it is not to be considered an affirmation of the forecast by the Board of Directors of BSGR, or by Bateman Engineering.

Bateman Litwin (app. 67%)

| | |
|---------------------------------|--|
| Products | Providing engineering services to the Petroleum, gas, energy, and chemical industries and developing advanced technologies for phosphate processing |
| Location | Mainly in CIS, the Balkans, Western Europe, the Middle East and North Africa |
| Market value¹ | App. \$520M (BSGR's share - \$349M). |
| Equity | \$102M (December, 2006) |
| Financial leverage | Asset surplus in the amount of app. \$165M (December, 2006) |
| Income² | App. \$269M in 2006 and an anticipation for app. \$575M in 2009. |
| Net profit² | App. \$14M in 2006, and an anticipation for app. \$31M in 2009. |
| Employees | App. 1,500 in 8 activity centers worldwide. |
| Additional shareholders | JP Morgan, app. 5%, UBS, app. 5%) and public. |

1. Market value in the stock market on July 11, 2007.

2. Based on public information, see below; the date of the annual report of the company is June 30.

Bateman Litwin (app. 67%)

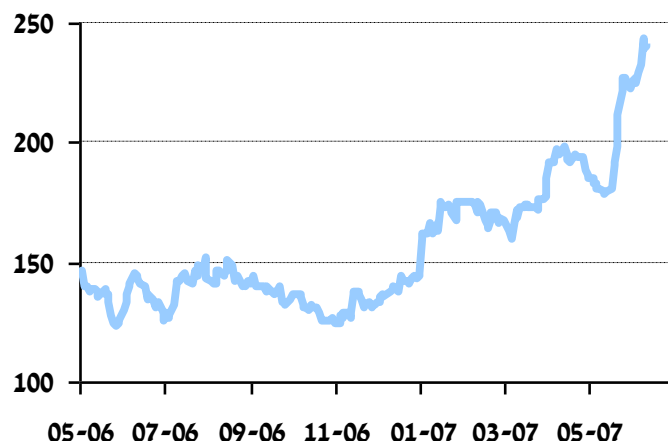
Main projects under development:

Energy: power station Kazakhstan (app. \$470M), gas compression stations in France (app. \$200M); advanced technologies: a factory for acid processing in Saudi Arabia (app. \$330M).

Data extract and cash flow forecast, based on public information*

| | 2006 | 2007 | 2008 | 2009 |
|-------------------------------------|--------|----------|------|------|
| | Actual | Forecast | | |
| | | (M\$) | | |
| Income | 269 | 428 | 502 | 575 |
| Net profit after minority interests | 14 | 20 | 25 | 31 |

\$M Value development in AIM:



- According to the report of the analysts of Credit Swiss of May 16, 2007, and March 26, 2007.
- In the absence of other information, the analyst forecast is presented, and it is not such as to constitute an affirmation of the forecast by the BSGR Board of Directors, or by Bateman Engineering.

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Baku Steel (40%)

| | |
|---------------------------|---|
| Location | Azerbaijan |
| Products | Steel production factory. Annual production capability: app. 400K ton |
| Market value | A private company. Indicative worth \$300-360M (BSGR's share - \$120M-\$145M) |
| Equity | \$27M |
| Financial Leverage | None |
| Income | \$141M in 2006, anticipation for app. \$240M in 2009 |
| Ebitda | \$57M in 2006, anticipation for app. \$72M in 2009 (Ebitda rate: 30-40%) |
| Employees | App. 2,000 |
| Partners | Held (80%) by a partnership between a sister company and IMR company, the partner in Cunico. BSGR is entitled to 40% against providing consultation services. |

Koidu (100%)

| | |
|----------------------------|--|
| Location | Sierra Leone |
| Products | Diamond production in high quality (app. \$200-300 per carat) Annual production: app. 150K carat |
| Expansion potential | Possibility of increasing the production capabilities to 350K carat, by investing app. \$60M by BSGR |
| Market value | A private company. Indicative value \$130-180M according to the company's estimation |
| Equity | App. \$10M (including loans from shareholders) |
| Financial leverage | None |
| Income | \$23M in 2006, anticipation for app. \$90M in 2010 |
| Ebitda | \$3M in 2006, anticipation for app. \$50M in 2010 |
| Employees | App. 300 |

BSGR Guinea (83%)

| | |
|-----------------------------|--|
| Location | Guinea in Western Africa |
| Essence | Mineral mining licenses in an area of 413 sq km, Guinea |
| Status | In feasibility examinations. There exist preliminary signs for the existence of large accumulations in high quality. |
| Products | <p>Iron Ore – used for the production of Steel. The mineral mentioned is one of the most important in the world, with especially high Iron %.</p> <p>Bauxite – raw material used for the production of Aluminum</p> <p>Uranium – metallic radioactive element</p> |
| Market value | A private company, in initial activity stages |
| Expected investments | App. \$30M in performing feasibility examination in 2007-2009 |

BSGE – Investments in the energy field

| | |
|---------------------------------|--|
| Essence | A group which develops activity in the field of energy production – Petroleum, gas, and alternative energy |
| Active projects | A potential for Petroleum production in Russia, and for Petroleum and gas production in Nigeria |
| Transactions in Pipeline | Petroleum – in Azerbaijan Power stations – in Russia (with Gazprom – the largest gas company in the world) and in Romania Alternative energy factories – in the United States (ethanol), and in Europe (bio-diesel) |
| Market value | A private company – estimated value in BSGR's balance \$96M |
| Books value | App. \$20M, invested after the balance date, instead of a loan from shareholders |
| Financial leverage | None |

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BSGR Holdings Company – without leverage

Extract of consolidated income statement (\$ million)

| | <u>Q1-07</u> | <u>2006</u> | <u>2005</u> |
|------------------------|--------------|-------------|-------------|
| Income | 92.3 | 257.4 | 189.5 |
| Gross Profit | 40.6 | 85.4 | 64.6 |
| Operational profit | 37.3 | 32 | 62.6 |
| Net profit | 26 | 25.8 | 52.7 |
| EBITDA | 43.6 | 55 | 84.9 |
| EBITDA rate | 47% | 21% | 45% |
| Net profit rate | 28% | 10% | 28% |

Investments breakdown - Market value (\$M)

| | <u>11.7.2007</u> | <u>31.3.2007</u> |
|-------------------------------|------------------|------------------|
| Nikanor | 681.4 | 431.1 |
| Bateman Eng. | 287.1 | 182.8 |
| Other | 5.1 | 5.1 |
| Total* | 973.6 | 618.9 |
| Bateman Lit*. | 349.1 | 225.4 |
| Total including Bateman Lit*. | 1322.7 | 844.4 |

Extract of consolidated balance sheet (\$ million)

| | <u>31.3.2007</u> | <u>31.12.2006</u> | | <u>31.3.2007</u> | <u>31.12.2006</u> |
|---|------------------|-------------------|------------------------------|------------------|-------------------|
| Cash and cash equivalents | 38.7 | 28.2 | Short term borrowings | 14 | 13 |
| Trade and other receivables | 69.9 | 68.4 | Trade and other payables | 90 | 91.7 |
| Inventory | 58.2 | 51.1 | Other long-term borrowings | 258.1 | 168.4 |
| Financial assets | 103.3 | 92.6 | Reserves | 27.3 | 24.9 |
| Factory, machines and intangible assets | 271.1 | 271.2 | Total liabilities | 389.3 | 297.9 |
| Investments (mainly available for sale) | 618.9 | 751 | Equity | 866.9 | 964.6 |
| Investments in Energy, Petroleum | 96 | 0 | Total equity and liabilities | 1256.2 | 1262.5 |
| Total assets | 1256.2 | 1262.5 | Minority interests | 7.3 | 8.2 |
| Financial leverage rate | None | | | | |

*In line of the reorganization, the control over Bateman Litwin was transferred to BSGR on May, 2007, and therefore the investment is not included in the reports above.

** including inferior long term loans from shareholders, the equity totals in app. \$1,070M.

Issuance structure

- **Issuer** – TMI Ltd., a subsidiary under the full ownership of BSGR, with full guarantee of BSGR.
- **Registration for trade** – the company intends to act for the registration of the bonds for trade in the Tel-Aviv stock market
- **Term** – the bond trust will be paid in six equal annual and consecutive payments, as from the termination of three years from the issuance date.
- **Extent** – immediate raising of app. 200 million dollar.
- **Securities** – mortgaging shares of included companies in a ratio of 1:2.75 for the financial debt, including Mark to Market mechanism.
- **Mortgaged shares exercising mechanism** – exercising the mortgaged shares by the trustee with a decrease in the securities to debt ratio, below the ration of 1:1.75.

Maalot Ranking A+

- “according to Maalot’s estimation, the company is characterized by a qualitative management, which is experienced in the core areas of the Group ... the Group’s ability to execute the projects relies on cooperations with local and governmental bodies in its various activity areas. The company’s management has the expertise and knowledge, with all that relates to purchases, company betterment and issuances, as well as a long history of executing various projects ...”
- It is Maalot’s estimation that the risk of the global field of minerals and metals is a little lower than average, ...
- “it is Maalot’s estimation that the financial risk of the company is lower than the average, and relies, among other things, on financial strength, as is expressed in the holdings file value regarding the extent of the company's future debt, solvency, and high accessibility of the company to finance sources and it belonging to BSG Group...”

Summary

- Global diversified resource company
- Of Benny Steinmetz Group Trust
- Diverse products and geographical activity areas
- Equity of app. \$1,070M, without leverage
- Commodities of proven growth
- Anticipation for world demand surplus for commodities (China, India, CIS)
- New opportunities in the field of power, energy and energy substitutes
- A team with entrepreneur character and a record of proven successes
- Partnership with the leading factors in the world