

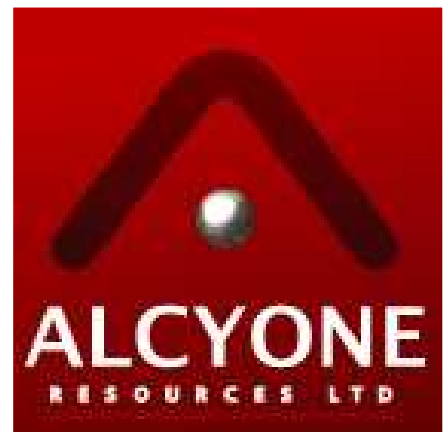


NOTION VTEC

CREATION OF A NEW
PRECIOUS METALS SEGMENT



ALCYONE
RESOURCES LTD



AGENDA

1. Notion's Investment in Alcyone
2. Alcyone's History
3. Alcyone's Turnaround Plans
4. Basics of Mining (Stages)
5. Basics of Mining (Processes)
6. Valuations on Alcyone
7. Notion's Financial Position
8. Why Australia?
9. Why Alcyone?
10. Conclusions & Rationale

NOTION'S INVESTMENT IN ALCYONE

NOTION VTEC BERHAD (“NVB”) has subscribed for 975m Ordinary Shares, representing 19.9% of the enlarged issued and paid-up share capital of ALCYONE RESOURCES LIMITED (“AYN”) for a total consideration of A\$4.875m (approx. RM14.7m)

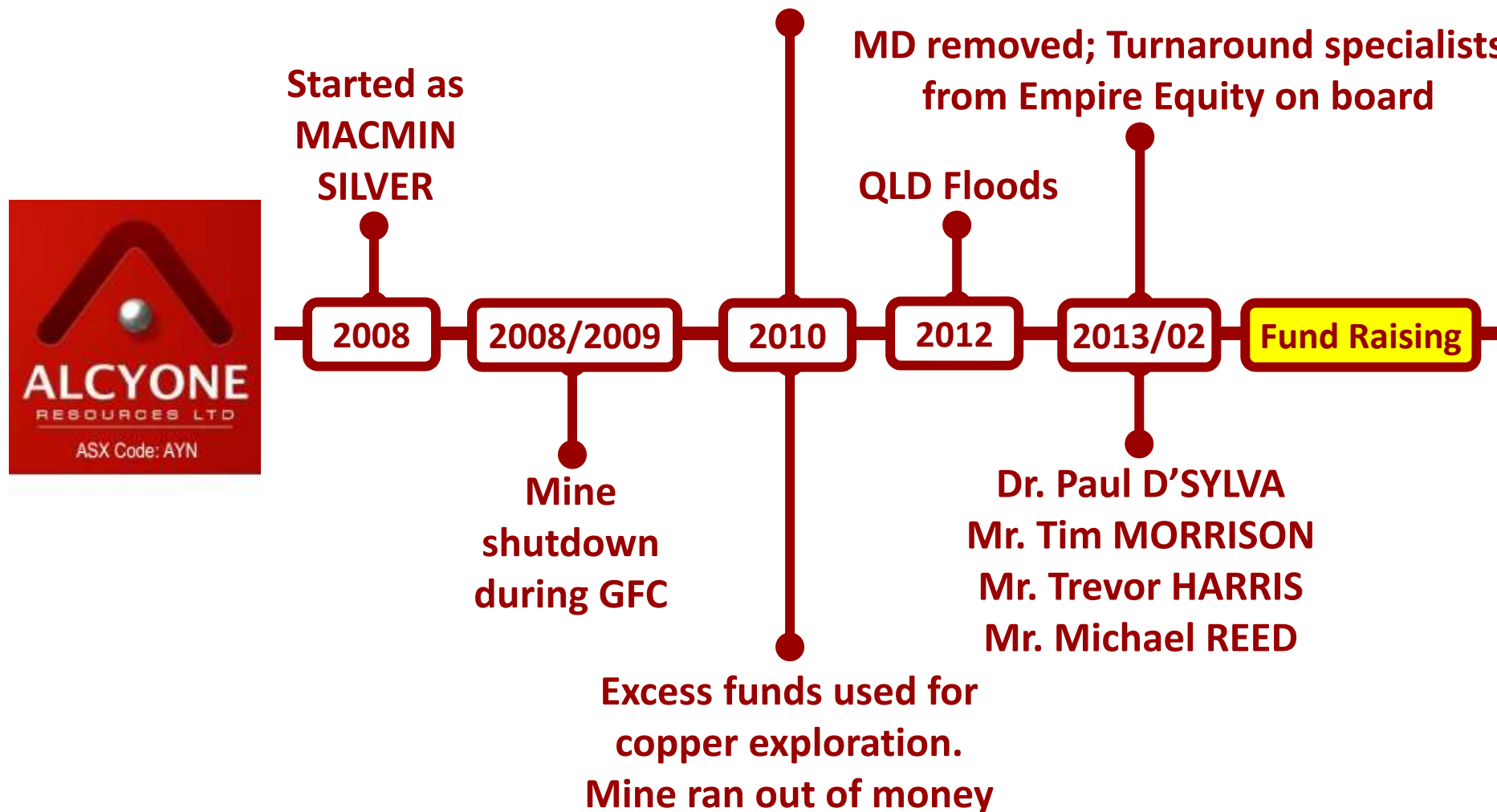
	Date of Payment	Subscription Price	No. of Shares
Tranche 1	October 4, 2013	A\$2.000m	400,000,000
Tranche 2	October 11, 2013	A\$2.875m	575,000,000
Total		A\$4.875m	975,000,000

Entitlements :

- Free 487.5m AYN Options (ASX:AYNOA) with an exercise price of A\$0.01 expiring on July 31, 2015
- Non-executive Board seat on AYN
- **6-month option to subscribe for interest-bearing promissory notes which allow NVB to increase its stake in AYN by an additional 10% for A\$2.5m (approximately RM7.5m)**

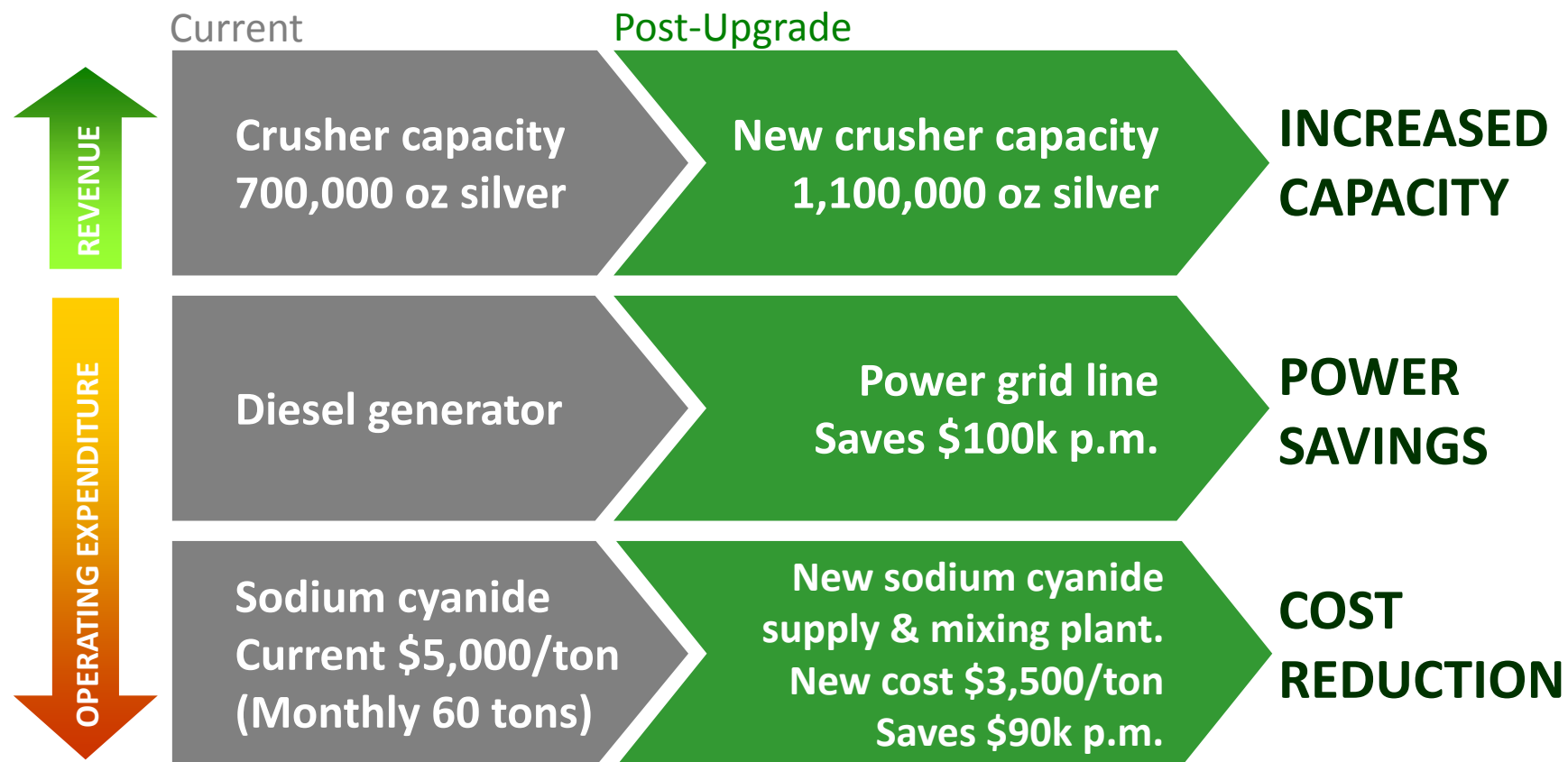
ALCYONE'S HISTORY

Purchased by Mr. Charles Morgan for A\$1m, who later sold his interest due to personal reasons



ALCYONE'S TURNAROUND PLANS

- Mine cost savings initiatives, derived from NVB's A\$4.875m rights take up.
- After final completion of cost savings \$190,000 p.m., expected C3 cost reduction to A\$17/oz at 1.28 mil oz silver p.a.



BASICS OF MINING (STAGES)

STAGE 3 : MINING OPERATIONS

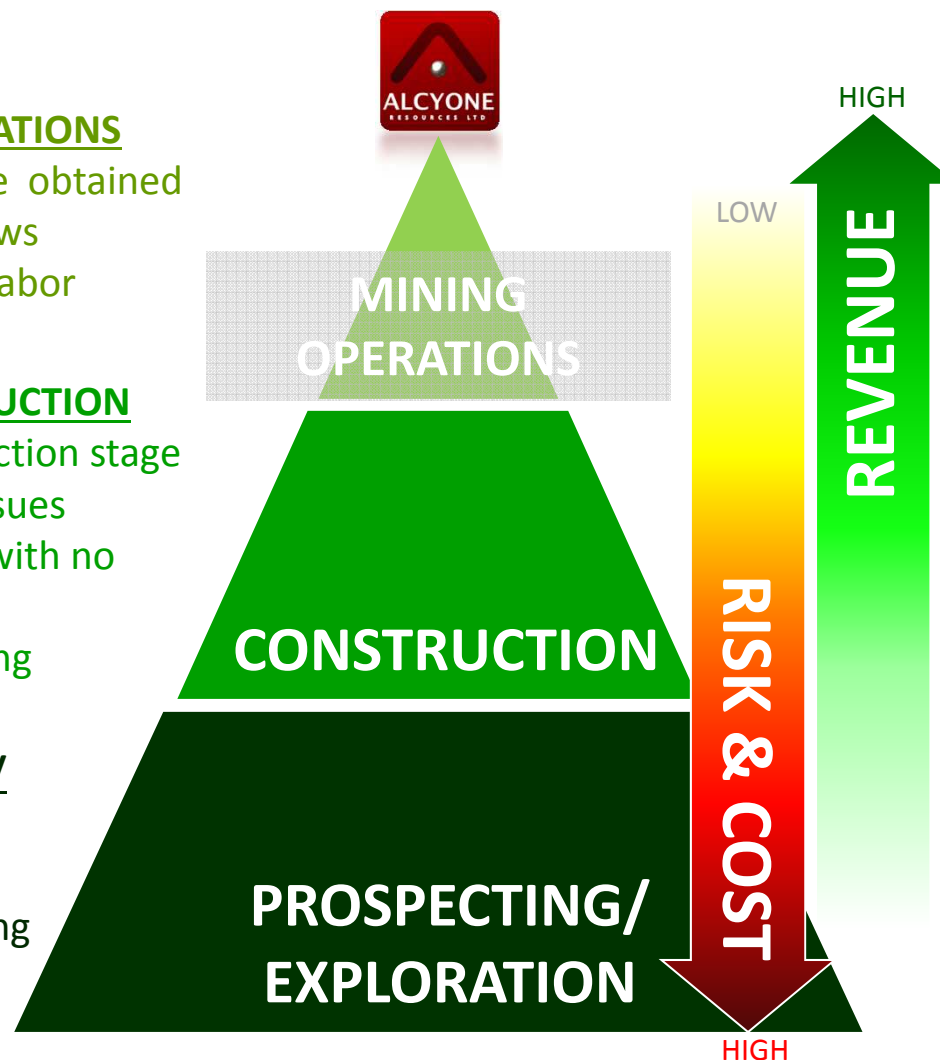
- Regulatory compliance obtained
- Revenue with cash flows
- Production costs and labor supply issues

STAGE 2 : MINE CONSTRUCTION

- Financing and construction stage
- Cost and regulatory issues
- Investment intensive with no cash flow
- May resort to streaming agreements

STAGE 1 : PROSPECTING/ EXPLORATION

- Early stage involving prospecting and drilling
- Investment intensive with no cash flow



NOTION'S TIMING in ALCYONE'S INVESTMENT PROVEN MINING TECHNOLOGY

Mine is operational and run by experienced operations personnel

MINE BUILD UP

Initial Capital Expenditure deployed & Environmental Permits obtained

EXPLORATION costs approx. **A\$100m** spent by previous Mine Owner (MacMin Silver)

BASICS OF MINING (PROCESSES)

- **NVB's business acumen and experience in running engineering businesses in metal conversion, machining, casting, surface treatment and metal working**
- **The engineering processes at AYN are easily understood from site visit:**
 1. **Explosive blasting** of rocks and ores sent to **crushers** by dump trucks.
 2. **Size reduction** to 4 mm and lime added (alkaline) to prevent toxic hydrogen cyanide formation.
 3. Belt conveyors to distribute ore over "**leaching pads**", which are lined with HDPE upon which the ore is piled.
 4. **Sodium cyanide solution** sprinkled over leaching pads, percolating through ore pile day and night to **collect silver rich cyanide solution**.
(Sodium cyanide has affinity for metals like gold and silver and these metals dissolve into the solution).
 5. **Zinc added** to silver rich solution in the **silver precipitation process**.
 6. Silver is **dried and smelt** using borax and silica and **cast into ingots**.
 7. Sent to Perth Mint to refine to 99.99pc pure silver and sell spot.

VALUATION ON ALCYONE

Post-Upgrade Valuation

Description	AUD \$
Average Price per oz of Silver over 8 Year Period	\$24.00
JORC Compliant Silver Measurement (Moz)	10 Moz
Total Value of Silver	\$245.8 million
Project C3 Cash Cost per Oz – post upgrade	(\$17.00)
Total Mining Costs	(\$174.1 million)
Life of Mine Net Profit	\$71.7 million
Present Value* to Current Purchase Price	(64.2%)

* 8% discount rate p.a. assumed

Summary of Valuation Models available in Supplementary Slides



NOTION'S FINANCIAL POSITION

CASH POSITION

Investment in AYN represents 47% of NVB's Cash Holdings

HEALTHY ASSET RATIO

Investment represents 2.9% of total assets

*Ratios & Figures based on 30 June 2013 unaudited quarterly results,
excluding additional RM24.7m cash received from insurance claim on 11 September 2013*

WHY SILVER? (1)

Properties & Uses of Silver

PRECIOUS METALS

Silver is one of two precious metals used by global central banks as a **store of value**.

CONDUCTIVITY

Silver has the **highest electrical and thermal conductivity** of any element.

INDUSTRIAL APPLICATIONS

Silver an **industrial metal** has **thousands** of applications, eg. manufacturing of **autos, mobile phones, electronics and solar panels**.

GLOBAL PRODUCTION

70% of world's production is lost annually due to minute content in billions of products and non-economic recovery of silver.

SUPPLY & DEMAND

Growing industrial applications of silver ensures **demand exceeds supply**, eg. **medical industry, future electronics etc**

WHY SILVER? (2)

Silver in Electronic Storage Market

Silver Finds New Niche in Memory Storage Market

Wednesday September 18, 2013, 4:15am PDT

By **Charlotte McLeod** - Exclusive to **Silver Investing News**



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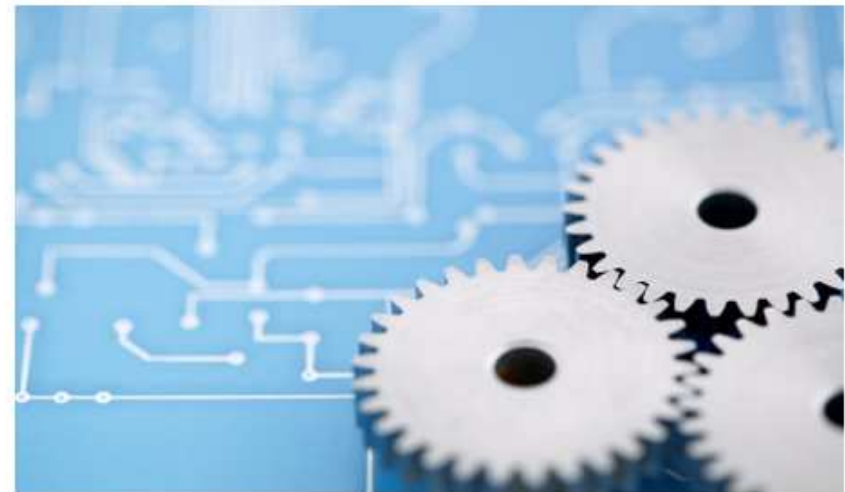
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If you're a true silver buff, you likely know all about the metal's long history as a component of **health-related applications**. Likewise, if you've been watching the silver market for the past few months, you're likely aware that, moving forward, new **solar power initiatives** may play a role in driving silver prices.



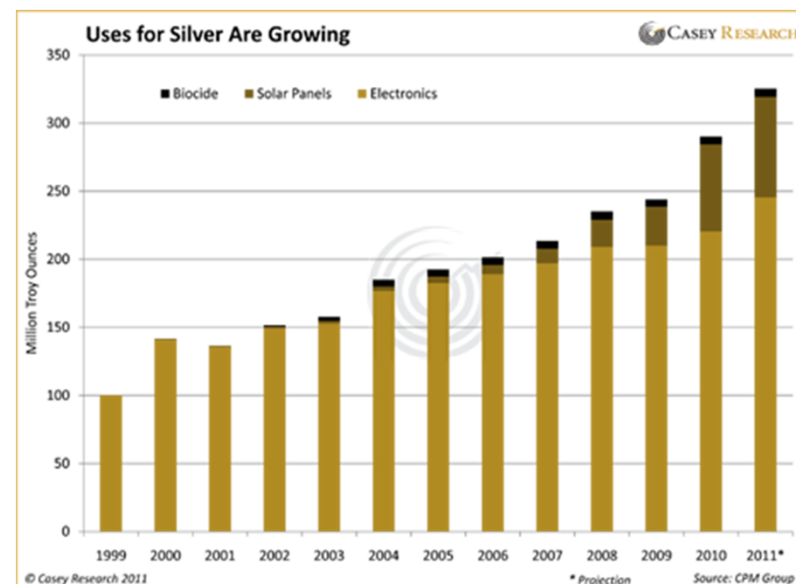
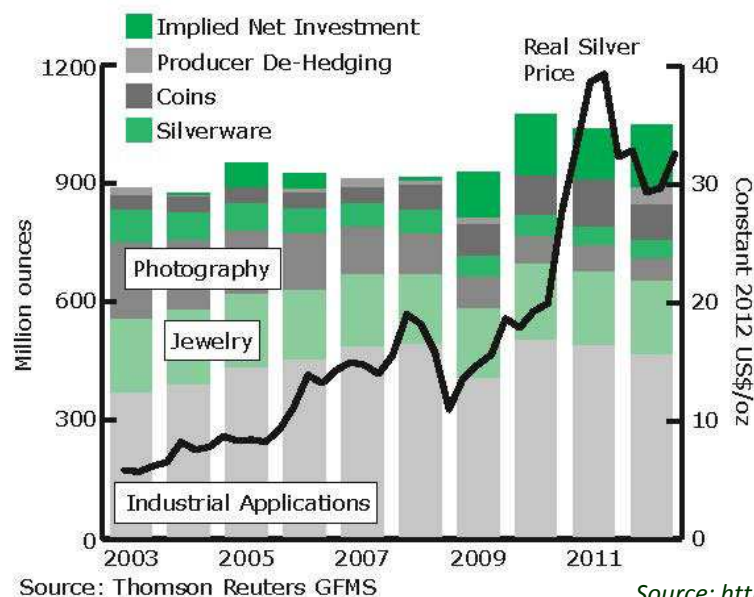
Source: <http://silverinvestingnews.com/19171/silver-resistive-random-access-memory-storage-crossbar-reram-rram.html>

WHY SILVER? (3)

Industrial Demand for Silver

Current industrial demand for silver seems to be lackluster. **Household demand** for silver like cutlery, flatware and **jewelry fabrication** have not risen much. The shift to digital photography and image storing led to fall in **photographic film processing**.

However, **silver consumption in electronics** has increased **120%** since 1999. Silver use in **solar panels** which began in 2000 has grown by **640%** since. Silver is also used in **medical industry as biocides** (antibacterial agents).



Source: <http://www.caseyresearch.com/editorial.php?page=articles/are-we-running-out-silver>

WHY AUSTRALIA? (1)

Ranked Top 10 globally most politically stable country in 2009 by The Economist Intelligence Unit

POLITICAL STABILITY

Australia has excellent laws and legal protection on land and mining rights

LEGISLATION

SECURITY

Lower Security Risks when compared to mines in 'Low Cost' environments



WHY AUSTRALIA? (2)

Other Global Major Silver Producers

Beware The Currency Trap If Chasing Cheap Mining Shares

+ Comment Now + Follow Comments

[Gold Fields](#) GFI +0.23%, once the second biggest gold producer in South Africa, a country which was once the world's biggest gold mining country, has all but abandoned its homeland.

Last week, to the annoyance of the South African government, Gold Fields bought three old gold mines in Australia from Canada's [Barrick Gold](#) ABX -0.39% for \$300 million.

Mexico's mining tax causes concern

By: Trish Saywell
2013-09-25

A proposed 7.5% mining tax on companies in Mexico and as much as 8% on those extracting precious metals is creating uncertainty in the industry about investing in a country that until now has been thought of as one of the world's most attractive mining jurisdictions.

Divestment of foreign mining interests in Indonesia

May 13th, 2012

Authors: Simon Butt and Luke Nottage, University of Sydney

The Indonesian government issued a regulation in February 2012 requiring majority or wholly foreign-owned companies holding mining licenses in Indonesia to divest a majority share of the company — a minimum of 51 per cent — to an 'Indonesian participant' after 10 years of production.

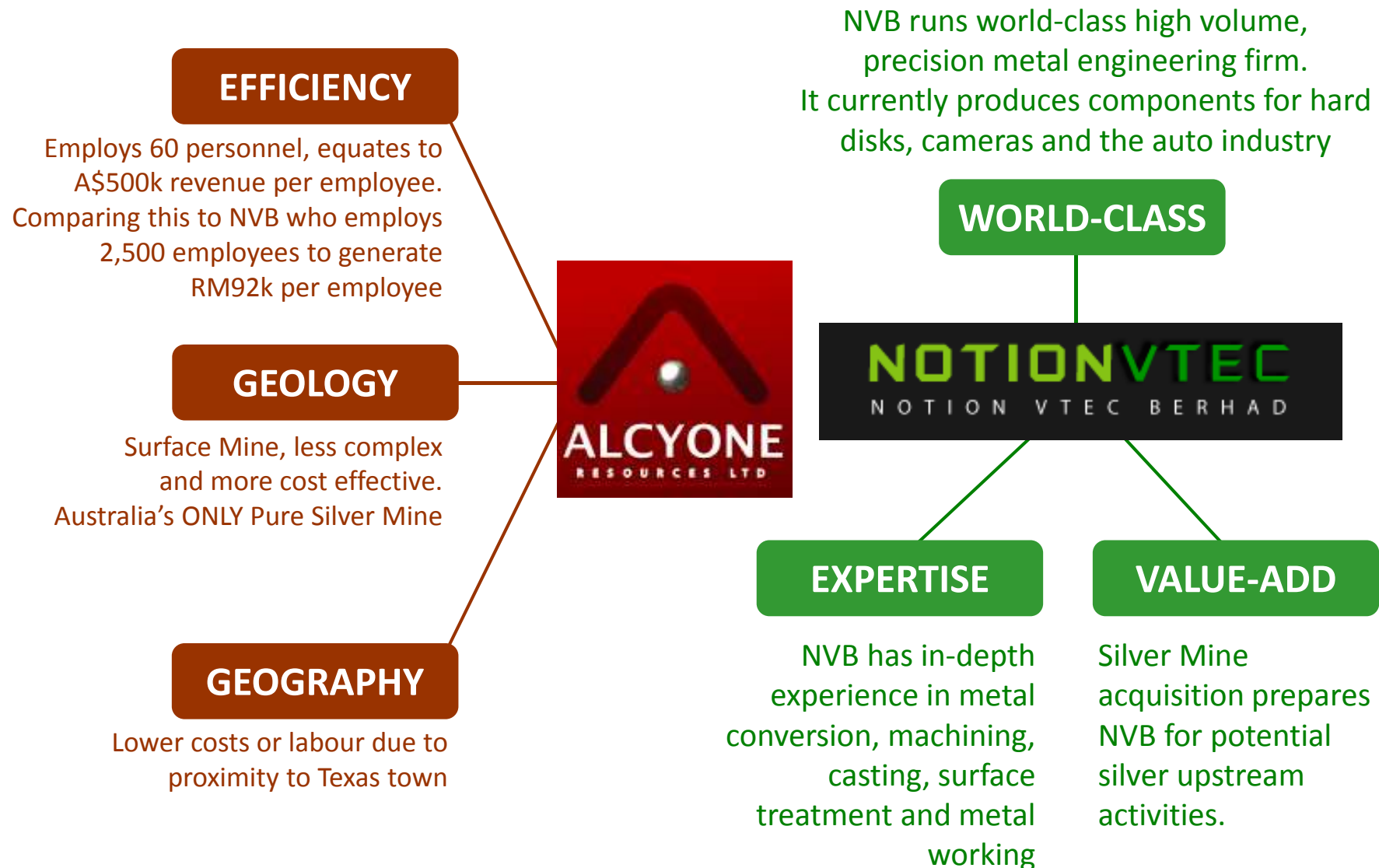
Sources:

<http://www.northernminer.com/news/mexicos-proposed-royalty-creates-uncertainty/1002607701/>

<http://www.eastasiaforum.org/2012/05/13/divestment-of-foreign-mining-interests-in-indonesia/>

<http://www.forbes.com/sites/timtreadgold/2013/08/29/beware-the-currency-trap-if-chasing-cheap-mining-shares/>

WHY ALCYONE?



CONCLUSIONS & RATIONALE

TURNAROUND

Investment in Alcyone Resources Ltd represents a turnaround story with a proven business model.

OPPORTUNITY

NVB will have new opportunities working with another metal – Silver.

TIMING

Mining Industry are currently depressed due to lower base metal prices, hence pricing of mines at all-time low.

STRATEGIC

20% stake purchase in an ASX silver company at a discount to its present value of future profit streams.

MANAGEMENT

AYN management is determined and incentivized to perform well. We have confidence in their ability.

FINANCIALS

By 2015 AYN is projected to have strong cash surpluses and will have positive impact on NVB's financial position

SILVER PRICES

Silver is a by-product of mining base metals such as zinc, lead, copper and gold. When base metal prices fall, global silver supply shortage to be expected.

UNTAPPED RESERVES

Strong likelihood of undiscovered silver reserves on Mt. Gunyam and the land linking between it and Twin Hills, hence possibility of extending mine life.



THANK YOU

Questions & Answers
Session

SUPPLEMENTARY (1)

Post-Upgrade Valuation on ALCYONE

	Valuation I	Valuation II	Valuation III	Valuation IV
Million Oz production p.a.	1.28	1.28	1.28	1.28
Number of Years of Production	8	8	8	8
Price per oz (\$AUD)	AUD 22.00	AUD 24.00	AUD 26.00	AUD 30.00
Total Projected Sales (\$AUD) millions	AUD 225.28	AUD 245.76	AUD 266.24	AUD 307.20
C3 - Cash Cost per oz (\$AUD)	AUD 17.00	AUD 17.00	AUD 17.00	AUD 17.00
Total Cash Costs (\$AUD) millions	AUD 174.08	AUD 174.08	AUD 174.08	AUD 174.08
Net Total Value (\$AUD) millions	AUD 51.20	AUD 71.68	AUD 92.16	AUD 133.12



Current Market Cap	AUD 18.50	AUD 18.50	AUD 18.50	AUD 18.50
Present Value	AUD 36.78	AUD 51.49	AUD 66.20	AUD 95.62
Discount of Market Cap	49.7%	64.1%	72.1%	80.7%

Present Value assumption : 8% discount rate,

SUPPLEMENTARY (2)

Mexico's mining tax causes concern

By: Trish Saywell
2013-09-25

TEXT SIZE  

A proposed 7.5% mining tax on companies in Mexico and as much as 8% on those extracting precious metals is creating uncertainty in the industry about investing in a country that until now has been thought of as one of the world's most attractive mining jurisdictions.

The mining tax ó which some are describing as a royalty, and has yet to be passed into law ó would be on earnings before interest, taxes, depreciation and amortization, and is part of President Enrique Peña Nieto's goal to reform the tax base in the country.

Source : <http://www.northernminer.com/news/mexicos-proposed-royalty-creates-uncertainty/1002607701/>

SUPPLEMENTARY (3)

Beware The Currency Trap If Chasing Cheap Mining Shares

+ Comment Now + Follow Comments

The dollar goes a long way in South Africa and other commodity-exporting countries these days but before being tempted to snap up what look like investment bargains in the country's mining industry consider what some of the local are doing — investing elsewhere.

Gold Fields GFI +0.23%, once the second biggest gold producer in South Africa, a country which was once the world's biggest gold mining country, has all but abandoned its homeland.

Last week, to the annoyance of the South African government, Gold Fields bought three old gold mines in Australia from Canada's Barrick Gold ABX -0.39% for \$300 million.

Source : <http://www.forbes.com/sites/timtreadgold/2013/08/29/beware-the-currency-trap-if-chasing-cheap-mining-shares/>

SUPPLEMENTARY (4)

EASTASIAFORUM

Economics, Politics and Public Policy in East Asia and the Pacific

Divestment of foreign mining interests in Indonesia

May 13th, 2012

Authors: Simon Butt and Luke Nottage, University of Sydney

The Indonesian government issued a regulation in February 2012 requiring majority or wholly foreign-owned companies holding mining licenses in Indonesia to divest a majority share of the company — a minimum of 51 per cent — to an 'Indonesian participant' after 10 years of production.



For many foreign investors, this will mean a mandatory divestment of equity.

An offer to purchase the share must first be made to the central government. If the central government is not prepared to purchase the share, then it must be offered to the provincial government or city/county government. And if they also refuse, then the shares are to be offered by auction to (in order of priority) a state-owned enterprise, a regional state-owned enterprise or a national